

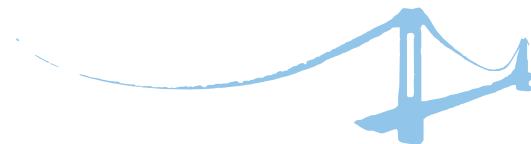
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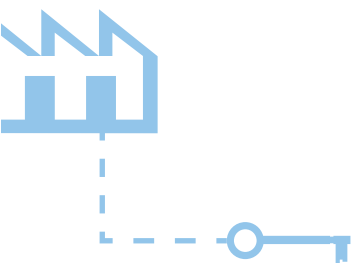
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- ▶ Annual Consolidated Financial Statements
- ▶ Consolidated Management Report
- ▶ Subsidiaries and Associated Companies



 **MAPFRE**

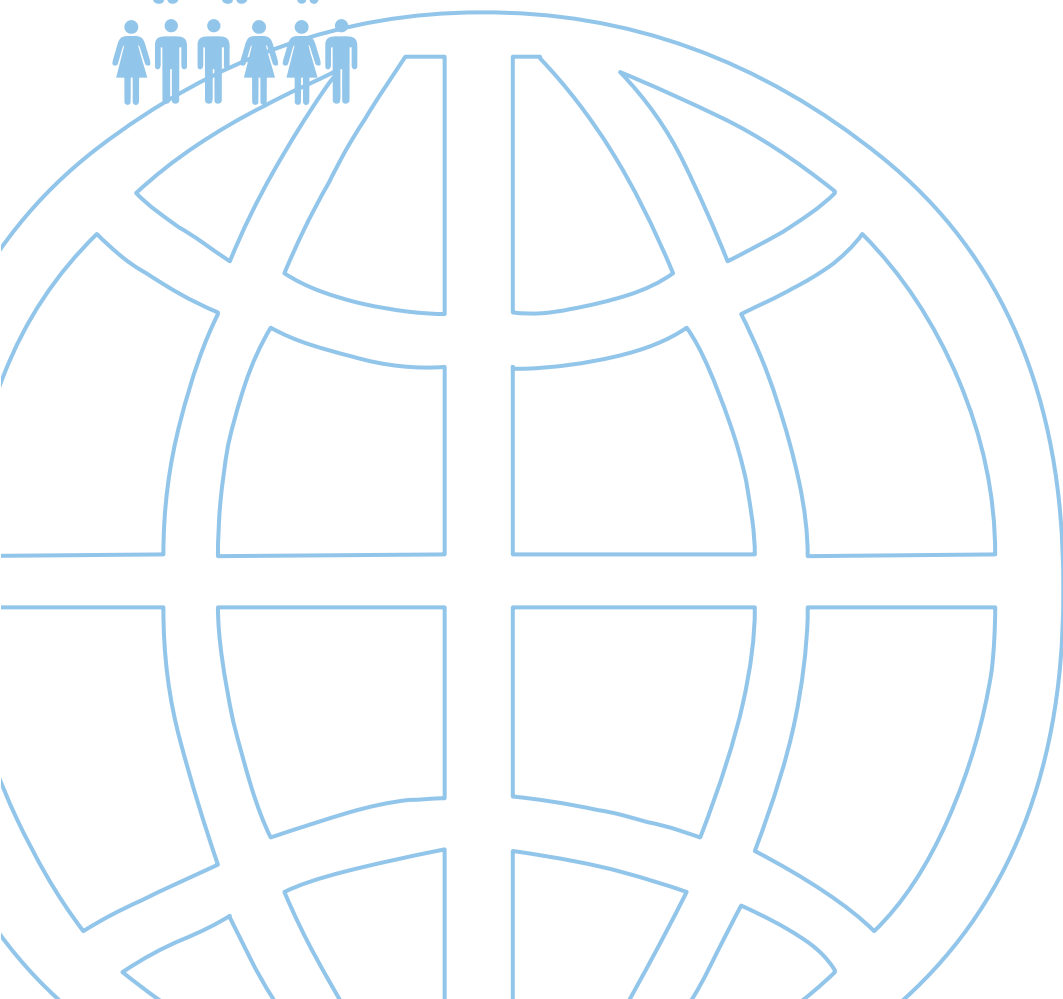
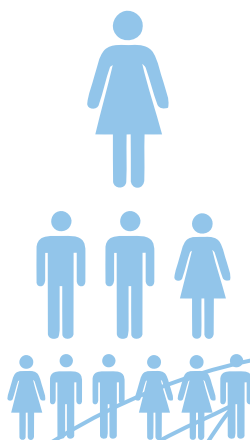




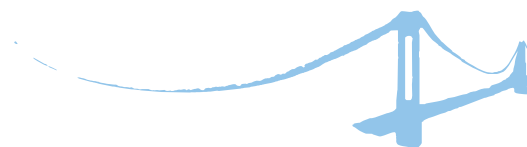
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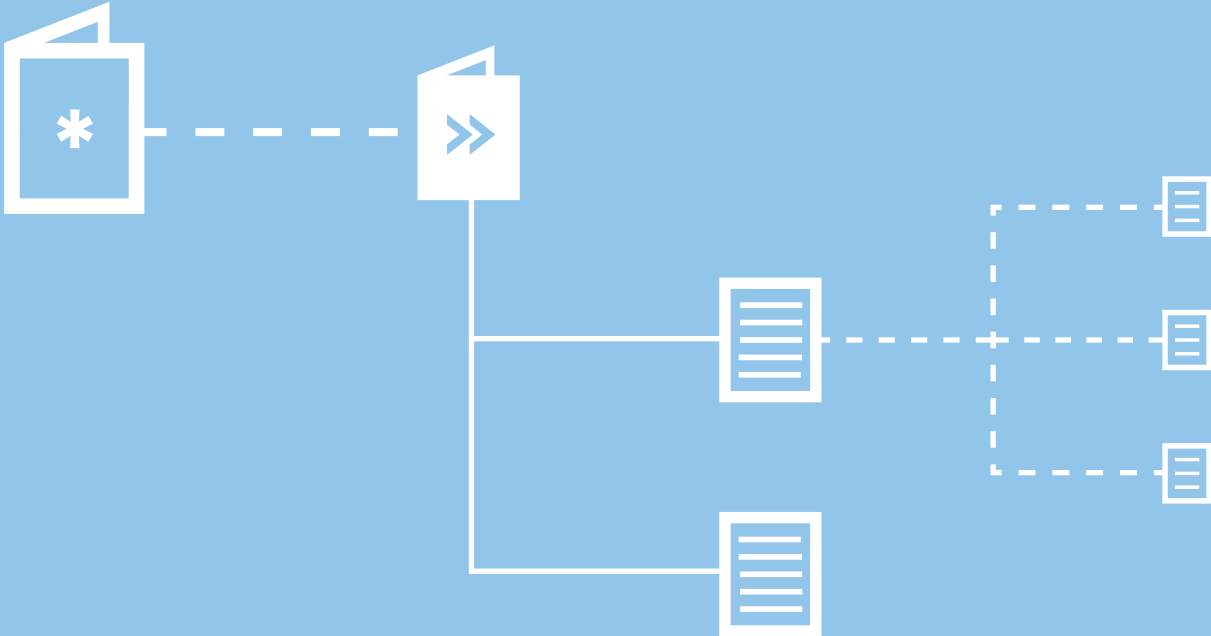
- ▶ Annual Consolidated Financial Statements
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 **MAPFRE**



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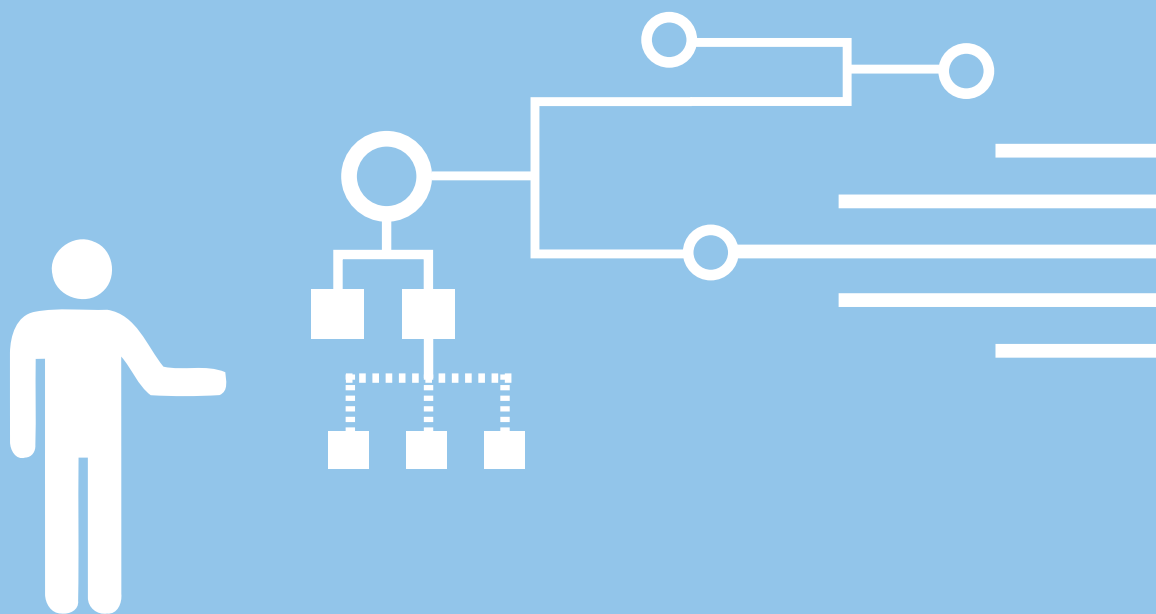
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1 Governing bodies



► **Governing bodies***

BOARD OF DIRECTORS		Steering Committee	Appointments and Remuneration Committee	Audit Committee	Compliance Committee
CHAIRMAN	Mr. José Manuel Martínez Martínez	Chairman	Chairman		
FIRST VICE-CHAIRMAN	Mr. Alberto Manzano Martos	First Vice-Chairman	First Vice-Chairman		
SECOND VICE-CHAIRMAN	Mr. Francisco Ruiz Risueño	Second Vice-Chairman	Second Vice-Chairman		Chairman
MEMBERS	Mr. Ignacio Baeza Gómez	Member			
	Mr. Rafael Beca Borrego			Member	
	Mr. Rafael Fontoira Suris				Member
	Mr. Santiago Gayarre Bermejo				
	Mr. Luis Hernando de Larramendi Martínez	Member	Member		
	Mr. Sebastián Homet Duprá			Member	
	Mr. Antonio Huertas Mejías	Member			
	Mr. Luis Iturbe Sanz de Madrid			Chairman	
	Mr. Andrés Jiménez Herradón	Member			
	Mr. Manuel Lagares Calvo			Member	
	Mr. Rafael Márquez Osorio				Member
	Mrs. Francisca Martín Tabernero				Member
	Mr. Antonio Miguel-Romero de Olano			Member	
	Mr. Filomeno Mira Candel				
	Mr. José Antonio Moral Santín				
	Mr. Rodrigo de Rato Figaredo				
	Mr. Alfonso Rebuella Badías		Member		
	Mr. Matías Salvá Bennasar		Member		
Mr. Esteban Tejera Montalvo	Member				
Mr. Francisco Vallejo Vallejo		Member			
SECRETARY AND MEMBER	Mr. José Manuel González Porro	Secretary and Member	Secretary	Secretary and Member	
VICE-SECRETARY	Mr. Ángel Dávila Bermejo	Vice-Secretary		Vice-Secretary	

* Composition of the governing bodies resulting from the proposals which are foreseen to be adopted on 6th March 2010.

2 Letter to shareholders



José Manuel Martínez • CHAIRMAN

© Foto: Daniel Merdzinsky



► Dear shareholders:

During 2009, our Group conducted its activities in an extremely difficult macroeconomic and financial environment: In this scenario, the strategy followed by MAPFRE: geographical diversification; specialisation, disciplined underwriting of insurable risks and professionalism in the management of investments, has borne its fruits. This has allowed the Group to obtain once again very positive results, both in terms of revenues and profits, as well as balance sheet strength.

Our Group has once again demonstrated its strong capacity to generate cash flows and results, which has allowed it to reduce its debt levels by €981.9 million, obtain net attributable profits of €926.8 million and increase equity by €1,377.4 million, reaching €7,093.8 million, improving its financial strength and solvency, and thus stands out on an international comparison.

Main activities

In accordance with circumstances, we have re-emphasised our prudence when evaluating those opportunities of mergers and acquisitions which have presented themselves, focusing on those which consolidate our strategic position. In this sense, it is worth highlighting the agreements signed with:

- GRUPO MUNDIAL (formed by the Panama based company ASEURADORA MUNDIAL and its subsidiaries), to jointly develop the Direct Insurance operations of both Groups in Central America via a holding company, where MAPFRE will have a 65% shareholding and GRUPO MUNDIAL 35%. GRUPO MUNDIAL will contribute to this alliance ASEGURADORA MUNDIAL, based in Panama, and its insurance subsidiaries in Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala. MAPFRE AMÉRICA will contribute its majority stake in its subsidiaries in El Salvador. This agreement will create the leading insurance company in Central America.
- BANCO DO BRASIL, to negotiate the establishment of a strategic alliance for Personal, General and Motor insurance lines, which will consolidate the joint position of both partners in the Brazilian market, giving rise to one of the most important insurance groups in Brazil (the leader in personal insurance and second in casualty insurance) with a market share of 16%.
- FINIBANCO (Portugal), to acquire 50% of its Life assurance subsidiary FINIBANCO VIDA. The agreement reached will imply that FINIBANCO will distribute on an exclusive basis through its banking network FINIBANCO VIDA's Life assurance products and MAPFRE SEGUROS GERAIS' Non-life products. In parallel, MAPFRE will promote the distribution of certain of bank's financial products through its agency network in Portugal.

These agreements, when they come to fruition, will reinforce MAPFRE's market position in the Central America, Brazil and Portugal, while increasing its growth opportunities.

MAPFRE and its subsidiaries during 2009 has continued to receive numerous prizes and accolades for their Business track record and their responsible performance in respect of their employees and Society. Prominent among these were the distinctions awarded by Business Week, which included MAPFRE as the sole insurance company among the 40 best companies in the World in 2009, ranking 21st. Also for the fourth year in succession MAPFRE was chosen as the best Direct Insurance company in Latin America by Reactions magazine, part of the Euromoney group. The financial magazine World Finance awarded MAPFRE the prize for the best insurance company in Spain, for the second consecutive year. In addition it was ranked 315th among the 500 largest companies in the World, according to Fortune magazine, climbing 94 positions versus the previous year's ranking.

Key figures

The Group's consolidated equity increased 24.1% in 2009 to €7,093.8 million. This positive performance basically reflects the overall good results of our subsidiaries, highlighted by the following data:

- Premiums increased 9.1% to €15,606.8 million, while consolidated total income rose 6.3%, reaching €18,830.4 million. Our premiums abroad grew by 22.8%, totalling €8,357.1 million, thanks to the sustained growth at MAPFRE AMÉRICA and the contribution from THE COMMERCE GROUP; in Spain, where we continue to have a clear leadership position, our premiums declined 2.2%. At the end of 2009, our businesses abroad accounted for 50.6% of total aggregate premiums, versus 45% in 2008.
- Assets under management in Life assurance, pension funds and mutual funds increased 2.9% during the year.
- Consolidated net result reached €926.8 million, 2.9% higher than the previous year. Earnings per share went from €33.50 cents to €32.54 cents, recording a slight decline as a result of the capital increase undertaken during the year.

Our share price

The performance of the stock market continued to be negative during the first quarter of 2009, but evolved favourably from then onwards until year end. Our share price increased 22%, to €2.927. During this period the DJ STOXX INSURANCE sector index rose 12.6%, while the Spanish stock market index, the IBEX 35, appreciated 29.8%.

Dividends

Throughout 2009, our company paid the final dividend for 2008 (€8 cents per share) and interim dividend for 2009 (€7 cents per share), making a total of €15 cents, 7.45 higher than the €14 cents paid in 2008. As was carried out with the 2008 interim dividend, shareholders were offered the opportunity to reinvest the 2008 final and the 2009 interim dividends in newly issued shares, through two capital increases with pre-emptive rights. These capital increases had a very positive take-up, contributing €138 million of new shareholders' equity. CARTERA MAPFRE, our largest shareholder, fully exercised their rights and purchased additional rights, increasing slightly their majority shareholding in MAPFRE S.A. to 64.2%; CAJA MADRID also fully exercised their rights.

The Board of Directors propose to the Annual Shareholders' Meeting the payment of a 2009 final dividend of €8 cents per share.

Outlook

Predictions by the principle International bodies suggest that there will be a recovery in global economic activity during 2010, although with notable differences between regions; while it is forecast that developed economies will experience low growth, some emerging economies should experience strong growth. In Spain, the recovery will be slower and will take longer than for the rest of the Euro zone, due to the specific characteristics of the Spanish economy.



In spite of this, MAPFRE's Directors remain confident that the Group will continue to achieve positive growth rates and adequate returns on its business, taking the following factors into consideration:

- a) The geographical diversification of our Business, with over 50% of which is generated in countries other than Spain and which will be further boosted by the incorporation of the new projects previously mentioned
- b) The strength of our distribution networks and of our model in the insurance business, and the increasing capacity to integrate new distribution channels
- c) The growing utilisation of synergies derived from the structural modifications we have carried out over the last few years
- d) Our investment approach remains prudent and professionally managed
- e) Our corporate culture, based upon principles and values, results in a firm commitment by managers, employees and associates with MAPFRE, a key feature of our business development

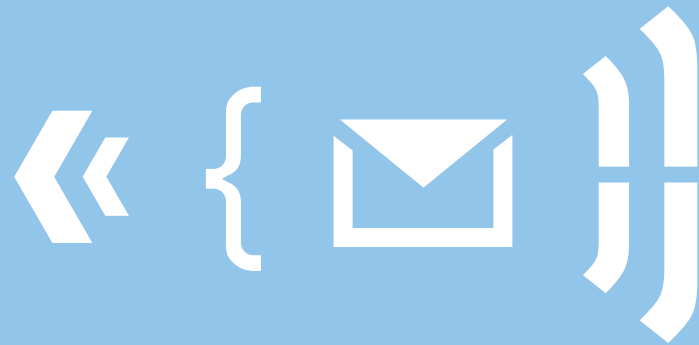
This permits us to consolidate our leadership position and to continue generating strong recurrent results.

I would like to end this letter by expressly thanking our shareholders, our customers, the supervisory bodies, and generally all those who have expressed their confidence and support throughout last year; and also the people that comprise MAPFRE (directors, executives, employees, delegates, agents and collaborators), who through their efforts and correct decisions have made it possible for us to present these excellent results.

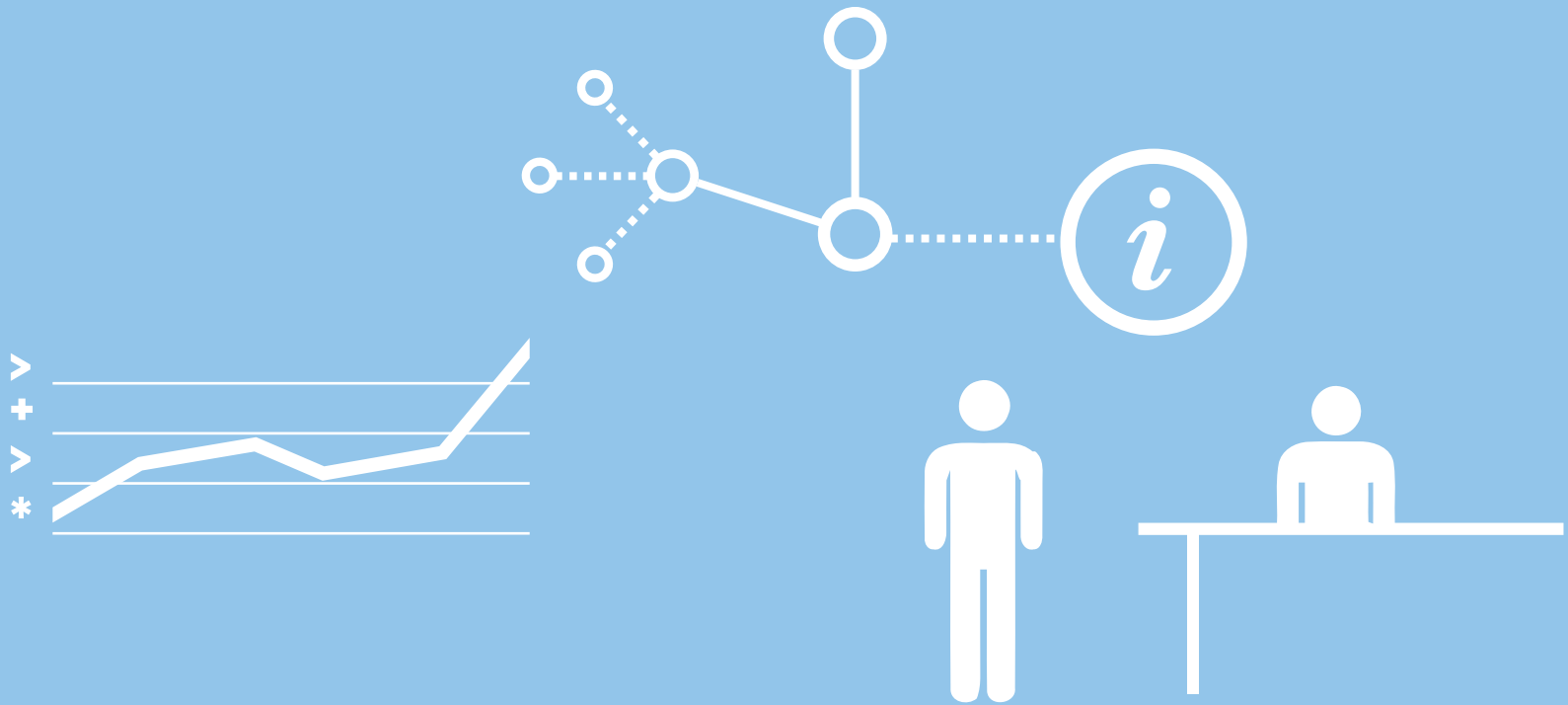
Sincerely



José Manuel Martínez
CHAIRMAN



3 General information



MAPFRE is an independent Spanish business group that engages in insurance, reinsurance, financial, real estate and services activities. The firm was created in 1933 by the Agrupación de Propietarios de Fincas Rústicas de España (Spanish Country Property Owners' Association) as a mutual insurance company.

The Group's parent company is the holding company MAPFRE S.A., whose shares are listed on the Madrid and Barcelona stock exchanges, and form part of the IBEX 35, DOW JONES Stoxx Insurance, MSCI Spain, FTSE All-World Developed Europe Index, FTSE4Good and FTSEGood IBEX indices.

The majority shareholder of MAPFRE S.A. is FUNDACIÓN MAPFRE, which guarantees the Group's independence and its institutional stability. FUNDACIÓN MAPFRE engages in general interest activities in the fields of Corporate Community Involvement, Insurance Sciences, Culture, Road Safety, Prevention, Health and Environment.

MAPFRE leads the Spanish Insurance market and has achieved a significant international projection in Direct Insurance, Reinsurance and Assistance. At the end of the year, it ranked eighth in Non-Life Insurance in Europe, and first in the Latin American market.

In 2000, MAPFRE forged an important strategic alliance with CAJA MADRID, the parent company of Spain's fourth largest financial group, the key goal being to fully harness the potential of the two group's sales networks in the distribution of insurance and financial products.

► International presence

In addition to Spain, the Group's companies operate in a total of 42 countries, through 151 companies. In the direct insurance field, MAPFRE has a presence in all the main Latin American countries –and leads the Non-Life insurance market in this area–, and in the United States, Portugal, Turkey and the Philippines. In the Assistance business, it operates in 40 countries.

The Group also has a professional reinsurer –MAPFRE RE- which does business all over the world, through 3 subsidiaries and 15 representative offices. At the end of 2009, MAPFRE RE ranked 14th in the worldwide reinsurance league.

Overall, at the end of 2009, the Group had 2,528 branches and 18,072 employees in countries other than Spain.

○ ● ●	Argentina
○ ● ●	Brazil
○ ●	Canada
○ ● ●	Chile
○ ● ●	Colombia
●	Costa Rica
●	Ecuador
● ●	El Salvador
○ ● ●	USA
● ●	Guatemala
● ●	Honduras
○ ● ●	Mexico
● ●	Nicaragua
●	Panama
●	Paraguay
● ●	Peru
● ●	Puerto Rico
● ●	Dominican Republic
● ●	Uruguay
○ ● ●	Venezuela

○ ●	Germany
○ ●	Belgium
●	France
○ ●	Greece
●	Hungary
●	Ireland
○ ●	Italy
●	Luxembourg
○ ● ●	Portugal
○ ●	UK
●	Russia
● ●	Turkey

●	Bahrain
●	Arab Emirates
●	China
○ ● ●	Philippines
●	India
●	Jordan

●	Algeria
●	Egypt
●	Libya
●	Tunisia

○ REINSURANCE ● ASSISTANCE ● DIRECT INSURANCE

► Presence in Spain

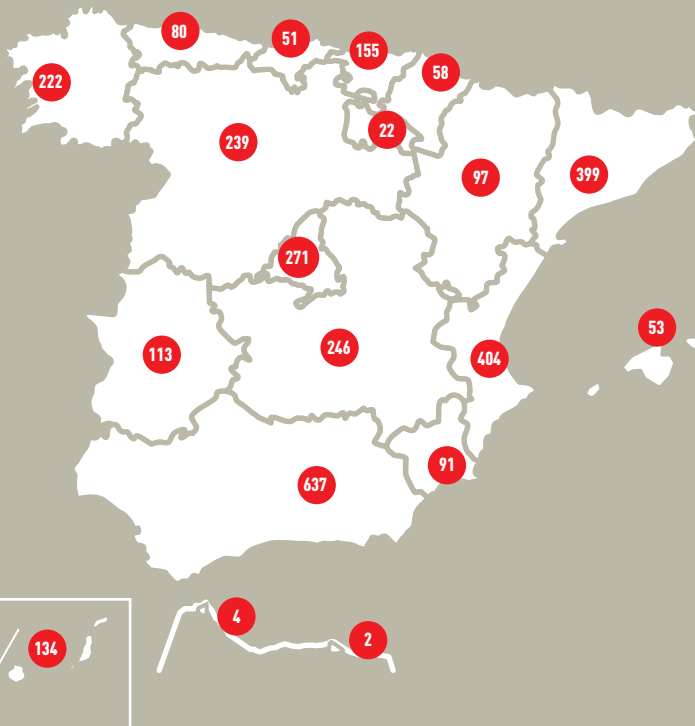
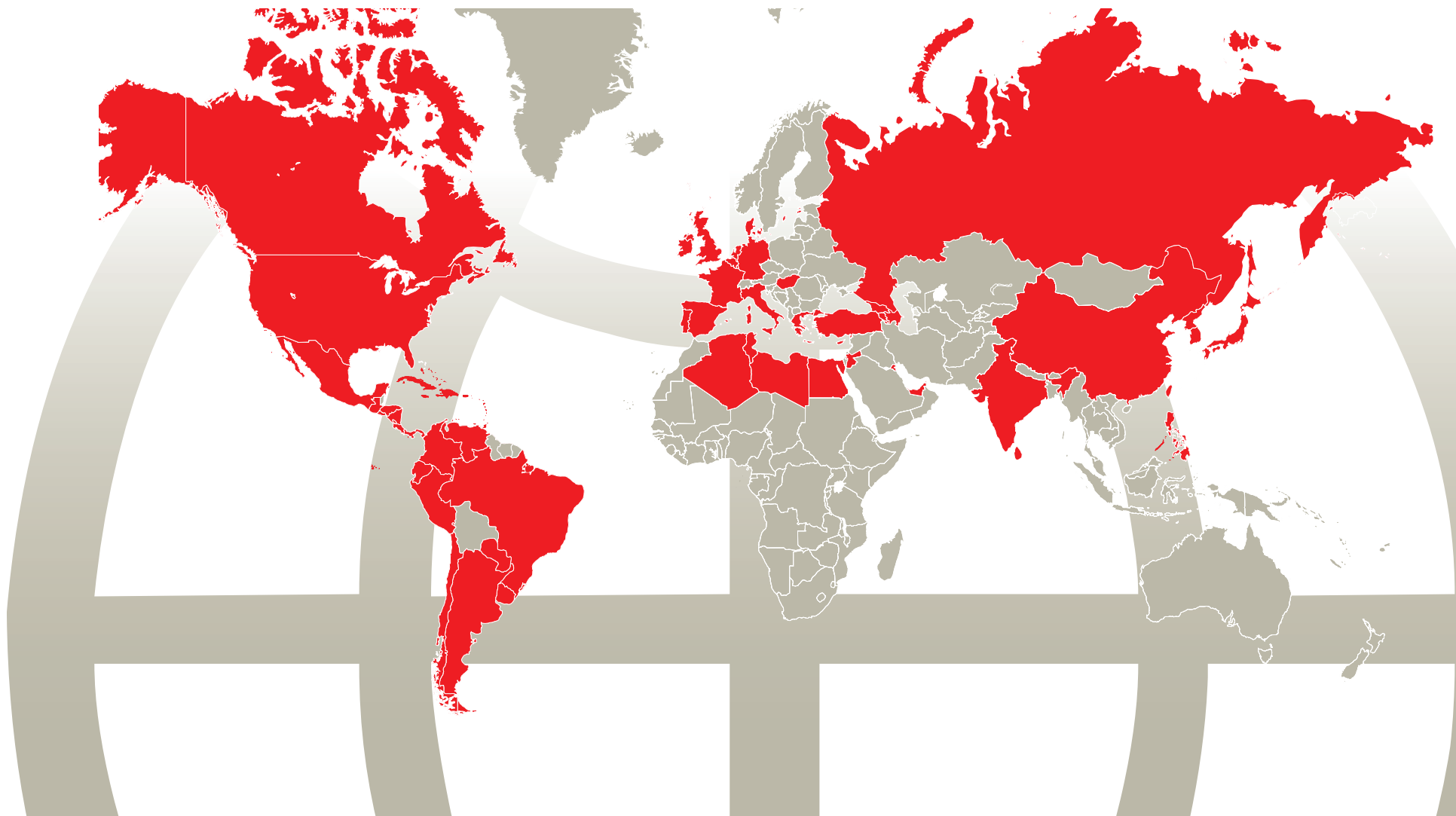
The MAPFRE Group operates in Spain through 85 companies, the most important of which are the insurance firms MAPFRE FAMILIAR, MAPFRE VIDA, MAPFRE EMPRESAS and MAPFRE CAUCIÓN Y CRÉDITO.

MAPFRE has the most extensive distribution network in the Spanish insurance sector and one of the largest of all financial companies. At the end of 2009, the Network was formed by 438 own branches, staffed by Mapfre management and staff; 2,793 franchise branches, managed by a professional agent and his own staff; 47 specific MAPFRE VIDA network offices; and 22,104 agents and associates.

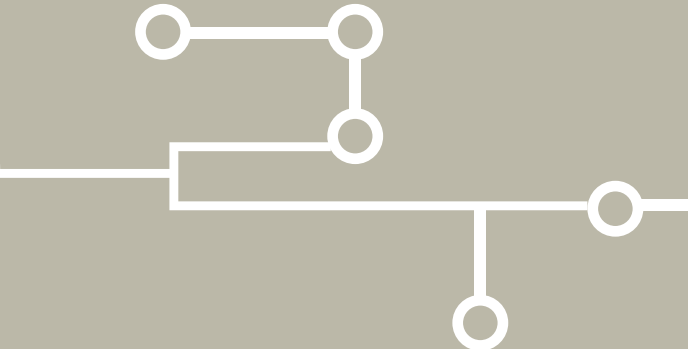
All of these branches are grouped into 39 sub-centres, which direct and coordinate the Network's activities in a given area, which normally coincide with one or more provinces, and are grouped under eight Regional Head Offices and one Regional Office.

Andalusia	637
Aragon	97
Asturias	80
Cantabria	51
Castille-La Mancha	246
Castille Leon	239
Catalonia	399
Ceuta	4
Community of Madrid	271
Community of Valencia	404

Extremadura	113
Galicia	222
Balearic Isles	53
Canary Isles	134
La Rioja	22
Melilla	2
Murcia	91
Navarre	58
Basque Country	155
Total branches	3,278



**TOTAL
BRANCHES
3,278**



► Ratings

Standard & Poor's

Bank	2009	2008
MAPFRE S.A. (Debt Issuer Rating)	A+ Stable outlook	A+ Negative outlook
MAPFRE S.A. (€275 Mn Senior Debt)	A+ Stable outlook	A+ Negative outlook
MAPFRE S.A. (€700 Mn subordinated debt)	A- Stable outlook	A- Negative outlook
MAPFRE EMPRESAS (Financial Strength Rating)	AA Stable outlook	AA Negative outlook
MAPFRE RE (Financial Strength Rating)	AA Stable outlook	AA Negative outlook
THE COMMERCE GROUP (Financial Strength Rating)	A Stable outlook	A Stable outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	BBB	BBB

Moody's

Bank	2009	2008
MAPFRE EMPRESAS (Financial Strength Rating)	Aa3 Negative outlook	Aa3 Negative outlook
MAPFRE ASISTENCIA (Financial Strength Rating)	A1 Negative outlook	A1 Stable outlook
MAPFRE ARGENTINA SEGUROS (Financial Strength Rating)	Ba3 Stable outlook	Ba3 Stable outlook
MAPFRE ARGENTINA SEGUROS DE VIDA (Financial Strength Rating)	Ba3 Stable outlook	Ba3 Stable outlook
MAPFRE ARGENTINA A.R.T. (Financial Strength Rating)	Ba3 Stable outlook	Ba3 Stable outlook
THE COMMERCE GROUP (Financial Strength Rating)	Withdrawn	A2 Positive outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	Baa2	Baa2

A.M. Best

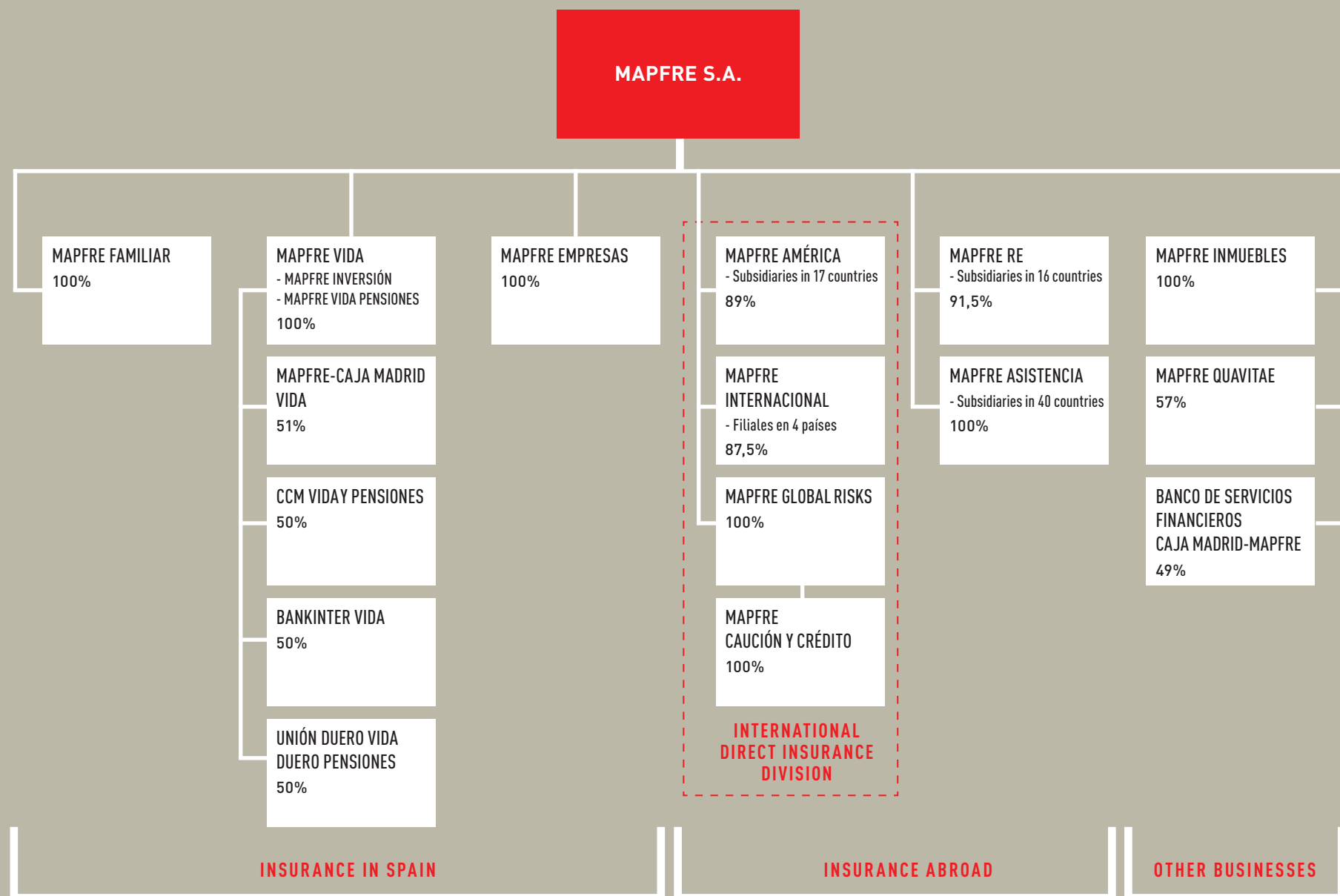
Bank	2009	2008
MAPFRE RE (Financial Strength Rating)	A+ Negative outlook	A+ Stable outlook
MAPFRE PRAICO (Financial Strength Rating)	A (Excellent) Stable outlook	A (Excellent) Stable outlook
MAPFRE TEPEYAC (Financial Strength Rating)	A- (Excelente) Stable outlook	A- (Excellent) Stable outlook
THE COMMERCE GROUP (Financial Strength Rating)	A+ Negative outlook	A+ Negative outlook
THE COMMERCE GROUP (US\$300 Mn Senior Debt)	a-	a-

Fitch

Bank	2009	2008
MAPFRE BHD (Financial Strength Rating)	A- (DOM)	A- (DOM)
MAPFRE LA CENTROAMERICANA (Financial Strength Rating)	AA (SLV) Stable outlook	AA+ (SLV) Stable outlook
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE (Financial Strength Rating)	Withdrawn	A (CHL) Stable outlook
TÜRKIYE GENEL SİGORTA (Financial Strength Rating)	AA (TUR) Stable outlook	AA (TUR) Stable outlook

► Organizational chart 2009

► Shareholder structure



4 Significant events of the year





January



1ST JANUARY 2009

MAPFRE FAMILIAR born as Multirriesgo insurance which includes all non-life insurance operations for individuals in Spain.

22ND JANUARY 2009

Ibericar, a company owned by MAPFRE and the Portuguese group Salvador Caetano, formalised an agreement with Globalia to join as partners in the company Pepecar, with 50 percent of the shares.

27TH JANUARY, 2009

MAPFRE strengthens its position as industry leader in secure Internet search engines, according to a study by consultancy FIRM Adesis Netlife.

28TH JANUARY, 2009

The headquarters of the Central Regional Head Office is transferred from Valladolid, to Alcalá de Henares.

29TH JANUARY, 2009

MAPFRE is awarded in the Spanish edition of Medical Economics Award the Best health care insurer in 2008.

February



4TH FEBRUARY, 2009

MAPFRE VIDA launches the new Fondmapfre Garantizado 904 mutual fund, referenced to four solid stocks in the European markets, which can generate up to 40 percent return on maturity.

5TH FEBRUARY 2009

MAPFRE presents its results for 2008 with net attributable result of €900.7 million

16TH FEBRUARY 2009

MAPFRE ABRAXAS, a subsidiary of MAPFRE ASSISTANCE, is honored as Company of the Year 2009 by the Motor Industry Institute of Transport Management in the UK.

17TH FEBRUARY 2009

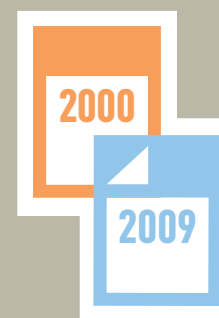
MAPFRE URUGUAY received the National Award for Excellent Citizen awarded by the Centro Latinoamericano de Desarrollo, for work on behalf of the community and its institutional leadership.

22ND FEBRUARY 2009

The Portuguese Association for Consumer Protection Insurance chooses MAPFRE's Multi- Condominium insurance as one of the best products sold in the Portuguese market.

25TH FEBRUARY 2009

MAPFRE obtained the renewal and extension of the ISO 14001 certificate for Environmental Management, issued by Det Norske Veritas (DNV).



▶ Key events in MAPFRE's expansion and development over the last 10 years

2000

- ✓ MAPFRE's market share in Spain exceeds 10%.
- ✓ SISTEMA MAPFRE manages funds worth over €10,000 million.
- ✓ The strategic alliance with CAJA MADRID is signed.
- ✓ The consolidated equity of SISTEMA MAPFRE exceed €2,000 million.
- ✓ The Board of Directors of MAPFRE MUTUALIDAD approves the Code of Good Governance of SISTEMA MAPFRE.

2001

- ✓ MAPFRE strengthens its position in Burial insurance in Spain through the acquisition of FINISTERRE.
- ✓ José Manuel Martínez becomes Chairman of SISTEMA MAPFRE, replacing Julio Castelo.
- ✓ MAPFRE VIDA ends the year as the largest insurance company in Spain by volume of premiums.
- ✓ Direct insurance premiums in Spain exceed €5,000 million.
- ✓ MAPFRE insures over 4 million vehicles in Spain.

► Key events in MAPFRE's expansion and development over the last 10 years

2002

- ✓ The first Collective Employment Agreement of the MAPFRE Insurance Group for the three-yearly period 2002-2004 is signed.
- ✓ A wide-ranging management restructuring is approved and the Commercial Insurance Operating Unit is created.
- ✓ SISTEMA MAPFRE manages funds worth over €20,000 million.
- ✓ The MAPFRE call centres handle over 20 million calls.
- ✓ mapfre@com, a single Internet portal to access the whole of SISTEMA MAPFRE, is launched.

2003

- ✓ The Board of Directors of SEPI awards MUSINI and MUSINI VIDA to MAPFRE - CAJA MADRID HOLDING.
- ✓ Standard & Poor's upgrades the rating of MAPFRE MUTUALIDAD to 'AA' and those of CORPORACIÓN MAPFRE and MAPFRE RE to 'AA -'.
- ✓ CORPORACIÓN MAPFRE's shares are included in the IBEX 35 and Dow Jones Stoxx Insurance equity indices.
- ✓ The market capitalisation of CORPORACIÓN MAPFRE exceeds €2,000 million.
- ✓ MAPFRE ASISTENCIA ORO is incorporated.
- ✓ SISTEMA MAPFRE obtains a result before tax of over €600 million.

► Significant events of the year

March



3RD MARCH 2009

MAPFRE LA SEGURIDAD (Venezuela) opens a Motor Multicentre in Caracas.

9TH MARCH 2009

MAPFRE Annual General Meeting approves the Group's accounts and dividend for the financial year 2008.

11TH MARCH 2009

Det Norske Veritas (DNV) awards ISO 14001:2004 certificates to the Multiservicar Centre (Alcalá de Henares) and Multiservicar Avila.

12TH MARCH 2009

MAPFRE FAMILIAR's modular Health insurance is chosen by readers of the magazine Mi Cartera de Inversión as the best insurance product of the year

15TH MARCH 2009

MAPFRE's Chairman Jose Manuel Martinez, is included in the Business Values index prepared by Serfusión, which measure four prominent factors: leadership, communication skills, credibility and public image.

17TH MARCH 2009

MAPFRE RE opens the headquarters in Sao Paulo of its new subsidiary in Brazil (MAPFRE RE DO BRASIL).

19TH MARCH 2009

MAPFRE is included for the first time, in 11th place in the prestigious ranking of the World's Most Admired Companies by Fortune magazine.

30TH MARCH 2009

MAPFRE is ranked number 10 in the Merco Report 2009 (Spanish Corporate Reputation Monitor), representing a rise of three positions over the previous year. MAPFRE's Chairman Jose Manuel Martinez, rises one place in this Report and is ranked as the 19th most valued business leader.

April



1ST APRIL 2009

MAPFRE's advertising is included in The Best of 2008 at the 23rd Awards bestowed by Cambio 16.

12TH APRIL 2009

Global Annual Insurance Sector Survey by conducted by Euromoney magazine awarded five prizes to MAPFRE Group's entities in Spain, Argentina and Chile in the categories of claims management, risk transfer, innovation and pricing.

13TH APRIL 2009

MAPFRE successfully concludes the capital increase approved by the Board of Directors on 10th March, offering its shareholders the opportunity to reinvest the final dividend for 2008, in new shares.

15TH APRIL, 2009

MAPFRE is ranked 315th in the Global Ranking of the 2,000 largest companies in the World according to Forbes magazine, advancing 94 positions from the previous year.

16TH APRIL 2009

MAPFRE pays back €550 million of the syndicated bridge loan of €1,000 million, used to acquire the insurer COMMERCE.

20TH APRIL 2009

MAPFRE presents the Centre for Tennis Medical related treatment, located at the prestigious CIMA Clinic of Barcelona, which aims to become a world leader in sports medicine.

30TH APRIL 2009

MAPFRE shares, issued following the capital increase agreed by the Board of Directors at its meeting held on 10th March 2009, begin trading on the Madrid and Barcelona Stock Exchanges

May



4TH MAY 2009

MAPFRE Tepeyac (Mexico) is recognised by the National Commission for the Protection and Defence of Users of Financial Services as the second best company in the country in customer service, and the first in service and quality in Motor Insurance.



6TH MAY 2009

MAPFRE is included in the ranking of corporate reputation "Reputation Global Pulse 2009", developed by the Reputation Institute and published by Forbes magazine. It is ranked 170th among the 200 most reputable companies in the World, and as the second company in its sector worldwide.

10TH MAY 2009

MAPFRE QUAVITAE and its subsidiary MAPFRE SABIA BIOENGINEERING ARAGONESA receive the 2009 Tecnet Award of the most innovative product, for its involvement in the project "T-Asisto," a platform for telecare services via digital terrestrial television (DTT).

11TH MAY 2009

MAPFRE GENEL YASAM (Turkey) is awarded the Social Responsibility Award for the Second Congress of Active Insurance Academy, for the support that the company has taken since 2007 to a programme of prevention of drug addiction.

20TH MAY 2009

MAPFRE VIDA launches GARANTÍA 4, a savings insurance product linked to the three-month Euribor rate, which provides a cumulative return of up to 19.71 percent, with the possibility of liquidity from the first year.

26TH MAY 2009

MAPFRE VIDA launches All-Life Dependency, a new Life-protection insurance with annual renewal, that includes specific coverage for situations of severe dependence and greater dependence.

June



16TH JUNE 2009

MAPFRE and BBVA sign a marketing agreement in Chile by which the Spanish financial institution will distribute MAPFRE's insurance products. This agreement is part of the global agreement signed by both groups in 2008 for the development of insurance activities in the region.

17TH JUNE 2009

MAPFRE Tepeyac (Mexico) receives the certificate of Socially Responsible Company (ESR) 2009, awarded by the Mexican Centre for Philanthropy (CEMEFI), for assuming voluntarily and publically a commitment to a socially responsible management, as part of its business culture and strategy.

18TH JUNE 2009

MAPFRE VIDA markets the new Fondmapfre Garantizado 907 mutual fund, which offers a yield of up to 40 percent

depending on the performance of four European financial, energy and telecommunications sector stock indices.

19TH JUNE 2009

MAPFRE is in eighth place among the Non-life insurance groups in Europe, advancing three positions over the previous year.

25TH JUNE 2009

MAPFRE's Standing Committee approves the Code of Ethics and Conduct that should guide the performance conduct of all the people who constitute the SISTEMA MAPFRE, in order that their behaviour reflects the Group's corporate values and principles.

July



2ND JULY 2009

MAPFRE is considered to be the insurer with the highest level of trust by its customers, according to a study conducted by the consultancy firm Huete & Samhoud, which has analysed the impact of financial crisis on the sector.

6TH JULY 2009

MAPFRE rises two positions among the most desirable companies to work for, and ranks 16, according to the Merco Persons Report 2009 (Spanish Monitor of Corporate Reputation).

7TH JULY 2009

MAPFRE's website is elected one of the three most accessible among the Ibex 35 companies, according to a study by consultancy firm Adesis.

16TH JULY 2009

MAPFRE advances 69 positions in the ranking of the 500 largest companies in the World, as published by Fortune magazine, and ranks 394.

21ST JULY 2009

The Health Insurance MAPFRE modular family are among the 100 best business ideas of 2008 by the magazine Actualidad Economica, that with these awards highlights innovation in products and services.

22ND JULY 2009

MAPFRE COLOMBIA ranks third in the MERCO 2009 report for the insurance sector, and ranks 72nd in the country business league tables, rising 27 places versus the previous year. Its Chairman, Victoria Bejarano, is included for the first time in the ranking of MercoLíderes, report which is prepared annually in said Latin American country.

2004

- ✓ The total operating revenues of SISTEMA MAPFRE exceed €10,000 million.
- ✓ MAPFRE insures over 5 million vehicles in Spain.
- ✓ MAPFRE SEGUROS GENERALES insures over 2 million households in Spain.
- ✓ CORPORACIÓN MAPFRE carries out a €500 million capital increase.
- ✓ MAPFRE acquires a majority shareholding in QUAVITAE, the leading Spanish provider of comprehensive social and health care for the Elderly.
- ✓ MAPFRE enters the Chinese market through the incorporation of ROAD CHINA ASSISTANCE, which distributes assistance programs.

2005

- ✓ The insurance premiums of SISTEMA MAPFRE exceed €10,000 million.
- ✓ The market capitalisation of CORPORACIÓN MAPFRE exceeds €3,000 million.
- ✓ SISTEMA MAPFRE manages funds worth over €30,000 million.
- ✓ The Board of Directors of SEPI awards CLINISAS to MAPFRE CAJA SALUD.
- ✓ MAPFRE acquires a majority shareholding in NOSSA CAIXA SEGUROS E PREVIDENCIA, a Brazilian Life and Pensions Insurer.
- ✓ SISTEMA MAPFRE employs over 20,000 staff.
- ✓ MAPFRE becomes the leading insurance group by volume of premiums in Non-life in Latin America.
- ✓ All foundations that operate in Spain are merged into FUNDACIÓN MAPFRE.

- ▶ Key events in MAPFRE's expansion and development over the last 10 years

2006

- ✓ MAPFRE implements a new corporate structure.
- ✓ Results before tax exceed €1,000 million.
- ✓ MAPFRE S.A.'s market capitalisation exceeds €4,000 million.
- ✓ An agreement is established with Caja Castilla La Mancha to develop the Life assurance and Pensions businesses of said Caja.
- ✓ MAPFRE S.A.'s shares are incorporated into the "Footsie4Good" Social Responsibility index.

2007

- ✓ An agreement is established with Bankinter to develop the Life assurance and Pensions businesses of said Bank.
- ✓ Acquisition of an 80% shareholding in Turkish insurance companies GENEL SIGORTA and GENEL YASAM.
- ✓ Offer to acquire the US insurance group COMMERCE, specialised in motor insurance.
- ✓ Agreement to reorganise the Strategic Alliance with CAJA MADRID.
- ✓ Over 6 million cars insured in Spain.

- ▶ Significant events of the year

24TH JULY 2009

MAPFRE presents the book "From Mutual to Multinational Company", which examines MAPFRE's 75 years of history, written by Professors Gabriel Tortella, Leonardo Caruana and José Luis García Ruiz.

29TH JULY 2009

MAPFRE Tepeyac (Mexico) rises nine positions in the 2009 ranking of the best companies to work in the country, prepared by the Great Place to Work Institute from over 300 multinationals, and is ranked 35th.

30TH JULY 2009

MAPFRE is ranked twelfth in the study "Best Companies to Work For" in Spain produced by the magazine Actualidad Economica, rising 25 positions in the last year. This ranking values the workplace conditions and human resource management at the major companies which operate in Spain.



August

3RD AUGUST 2009

MAPFRE Tepeyac (Mexico) is recognized for the fifth consecutive year as one of the 50 most innovative companies in the country according to Information Week magazine. The entity in 2009, ranks the second for its automation project for rapid claims assessment

5TH AUGUST 2009

MAPFRE COLOMBIA is recognized by Money magazine as the country's insurance company with the fourth highest reputation, according to the study conducted by Top of Mind. This report is prepared using surveys in the major cities, which measures the strength of the brand and its impact on society.

23RD AUGUST 2009

MAPFRE leads the ranking of insurers with most visibility on the Internet, according to the study prepared for search engine positioning by Seosolución. MAPFRE is once again the insurance company with most consultations by users of the network using the major search engines.

24TH AUGUST 2009

MAPFRE COLOMBIA opens a new Comprehensive Service Centre in the city of Barranquilla.

September



2ND SEPTEMBER 2009

MAPFRE VIDA launches Savings-Investment Insurance for three years, linked to the 3-month Euribor, which offers a minimum effective annual interest rate of 3 per cent.

20ND SEPTEMBER 2009

MAPFRE's website is recognized as the most accessible among the 30 largest insurance companies operating in Spain, according to a study by AdesisNetlife.

23RD SEPTEMBER 2009

Two insurance products sold MAPFRE's subsidiary in Portugal are elected among the best products Dinheiro & Direitos magazine

27TH SEPTEMBER, 2009

MAPFRE is chosen as the Best Direct Insurance Company in Latin America by Reactions magazine, part of the Euromoney group, for the fourth consecutive year.



October

5TH OCTOBER 2009

MAPFRE ranks 21st in the list of Top 40 Companies of the World in 2009, as published by the financial magazine Business Week, and is the only insurance company included therein.

6TH OCTOBER 2009

MAPFRE and Banco do Brasil sign a memorandum of understanding to negotiate the establishment of a strategic alliance with the aim of jointly developing the insurance business of both groups in the Brazilian market.

6TH OCTOBER 2009

MAPFRE VIDA launches a new mutual fund Fondmapfre Garantía 911, which offers the possibility of obtaining a return of up to 30 percent depending on the performance of four European stock indices.

7TH OCTOBER 2009

MAPFRE DO BRASIL is recognized by the Great Place to Work Institute as the 40th best company to work for in the country.

18TH OCTOBER 2009

José Manuel Martínez, MAPFRE's Chairman is granted the Award of Best Entrepreneur Spanish by the Spanish Chamber of Commerce in Chile for his contribution to the improvement of society in that country.



December

12

26TH OCTOBER 2009

MAPFRE Board of Directors agrees to pay an interim dividend of €0.07 per share, equivalent to the interim dividend paid in 2008.

28TH OCTOBER 2009

MAPFRE's Chairman, José Manuel Martínez, receives the Premio Tintero award which annually the Association of Economic Journalists (APIE) presents to persons who facilitate the role of this group.

November

11

1ST NOVEMBER 2009

MAPFRE appears as the first multinational insurance company in Latin America in the 2008 rankings of insurance groups in the region published by Fundación MAPFRE.

5TH NOVEMBER 2009

MAPFRE is awarded the Latin American Corporate Responsibility prize granted by the Ecumenical Social Forum, which recognises the contribution to strengthening the culture of corporate responsibility and the establishment of international standards on CSR, as well as best practices in this area.

9TH NOVEMBER 2009

The Spanish Association for Standardisation and Certification (AENOR) renews the quality certificate ISO 9001-2000 for MAPFRE FAMILIAR. This ensures that the work carried out by the Motor services area and the attention received in medical centres by car injury victims remain of the utmost quality, as established by this rule.

10TH NOVEMBER 2009

The financial magazine World Finance awards for the second consecutive year the prize of Best Insurance Company in Spain to MAPFRE.

24TH NOVEMBER 2009

MAPFRE Tepeyac (Mexico) is recognized as a Company of Gender Equality by the National Womens' Institute, in recognition of efforts to ensure equal working conditions and development opportunities for both men and women.

30TH NOVEMBER 2009

MAPFRE is awarded the prize of Best Brand of the Year 2009 by PRNoticias. This award distinguishes it as a solid company, with acknowledged and respected corporate identity and with projection in Spain and Latin America.

2ND DECEMBER 2009

MAPFRE ARGENTINA is awarded the Insurance Executives Prestige 2009 Prize, granted by the Centre for Public Opinion Research and the company Comunica.

7TH DECEMBER 2009

The consultancy firm Interbrand, part of the advertising group Omnicom, selects MAPFRE as one of the 30 most valuable brands in Spain.

10TH DECEMBER 2009

MAPFRE Portugal's homeowner insurance product Multi-Casa is selected as the best product on the market by the Portuguese Association for Consumer Protection.

13TH DECEMBER 2009

MAPFRE PARAGUAY is ranked second in the Best Companies to Work For study for that country, published by the Great Place to Work Institute of Paraguay.

14TH DECEMBER 2009

José Manuel Martínez, MAPFRE's Chairman, is elected one of the top 100 Latin American Men and Women of the Year, by the newspaper El País.

20TH DECEMBER 2009

MAPFRE FAMILIAR acquires 25 per cent of Rastreator.com, part of Admiral Group, an online insurance rates comparison site.

29TH DECEMBER 2009

MAPFRE and GRUPO MUNDIAL (Panama) sign a strategic alliance to jointly develop the insurance activities of both groups in Central America through a holding company in which MAPFRE will have a 65 per cent stake.

30TH DECEMBER 2009

MAPFRE and FINIBANCO (Portugal) sign an agreement for MAPFRE to acquire a 50 percent stake in the latter's life assurance subsidiary FINIBANCO VIDA.

31ST DECEMBER 2009

MAPFRE concludes the organizational and operational restructuring process of the various Commercial insurance activities undertaken the Group. These are integrated with effect from 1st January 2009 in two entities, MAPFRE GLOBAL RISKS and MAPFRE EMPRESAS.

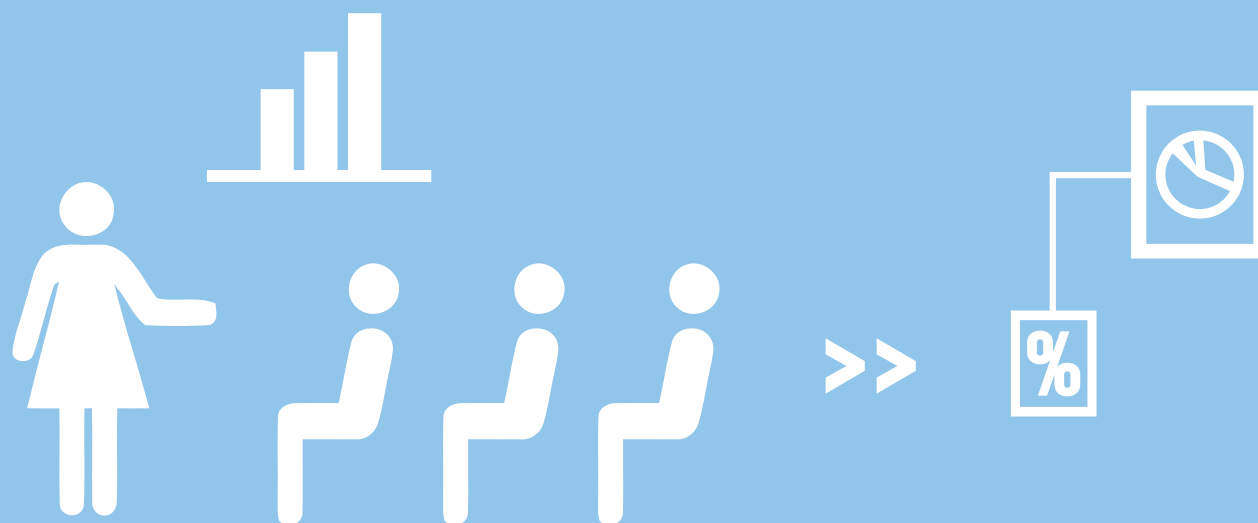
2008

- ✓ Acquisition of COMMERCE, the Life and Pensions subsidiaries of CAJA DUERO and ATLAS (Ecuador).
- ✓ Dividend reinvestment plan.
- ✓ Conclusion of reorganisation of the Strategic Alliance with CAJA MADRID.
- ✓ MAPFRE FAMILIAR is created.
- ✓ MAPFRE AMÉRICA VIDA is absorbed by MAPFRE AMÉRICA.
- ✓ Announcement of the reorganisation of the COMMERCIAL and the INTERNATIONAL OPERATING UNITS.

2009

- ✓ Splitting up of the Commercial Insurance Operating Unit into two companies, MAPFRE GLOBAL RISKS and MAPFRE SEGUROS DE EMPRESAS.
- ✓ Business from Abroad represents 50.6% of total Group premiums.
- ✓ Agreement with FINIBANCO (Portugal) to acquire 50% of FINIBANCO VIDA.
- ✓ MAPFRE is elected the Best insurance Group in Latin America for the fourth consecutive year.
- ✓ Memorandum of understanding signed with Banco do Brasil.
- ✓ Agreement to jointly develop insurance activities with GRUPO MUNDIAL (Panama).

5 Consolidated management report



The Spanish economy, which initially experienced a less drastic fall than other countries thanks to lower dependence on external demand, is now lagging behind the larger Eurozone economies in terms of the start of its recovery

► Economic context

The year 2009 can be considered a turning point in the negative business trend experienced during the worst economic crisis since World War II. In effect, there were two distinct periods during the year: the first quarter, when the world economic recession peaked, and the rest of the year, when the world economy resumed a positive growth pattern thanks to all of the economic, monetary and fiscal measures adopted in many different countries.

2009 began with a number of indications that signalled a deep recession: consumer and business confidence indicators were at historical lows as far as expectations were concerned, the effects of the systemic mistrust resulting from the bankruptcy of Lehman Brothers opened the gates to the appearance of systemic crisis events, businesses further reduced their inventories, international trade plummeted and the availability of credit reached historical lows. All of this left a scenario in which the decline of economic production reached rates of contraction that had not been seen in many decades and the expectations of economic players pointed to thorough economic depression.

In spring 2009, however, a number of decisions were taken that managed to change the global economic pattern: co-ordinated actions by the major economies, which passed many fiscal stimulus policies; expansive monetary policies; co-ordinated action by the major economies operating around the G20 summit; increases in the funds supplied by the International Monetary Fund; and the deletion of isolated protectionist policies.

The unprecedented deployment of expansive economic measures by the major economies in the world helped to achieve a certain degree of stabilisation in the second quarter of 2009, and then in the second half of the year global economic activity again recorded positive growth rates.

The crisis, however, continues to have negative effects on the evolution of employment and on the need for credit institutions and heavily indebted domestic economies to continue de-leveraging. On the other hand, fiscal stimuli have prompted a substantial impairment of government accounts which will require fiscal consolidation efforts in forthcoming years, therefore it can be asserted that the cost of the crisis will have to be paid over the coming years, and this will no doubt have a negative effect on the pace of economic growth.

The Spanish economy, which initially experienced a less drastic fall than other countries thanks to lower dependence on external demand, is now lagging behind the larger Eurozone economies in terms of the start of its recovery. The substantial weight of construction in Spain's GDP in the years before the crisis, the intensive destruction of jobs and the subsequent effect on consumer demand, and the significant impairment of government accounts

entail that the end of the recession is coming much slower and the rate of recovery is very mild.

In this context, financial markets have developed quite positively: the major stock exchanges across the world ended the year with significant revaluations, and fixed-income markets were very active during the year in the medium and long term, because large enterprises mainly resorted to the issuance of bonds and notes as a source of financing in light of the credit restrictions in the banking system; banks are still busy restructuring and making write-offs on their balance sheets.

► The economic trend in insurance markets

Spanish market¹

According to preliminary estimates, the total volume of direct insurance premiums written in 2009 amounted to €59,884 million, broken down as follows by lines of business:

Line of Business	2009	2008	% Chg. 09/08
Life	28,163	26,607	5.8%
Non-Life	31,721	32,580	[2.6%]
Total Direct Insurance	59,884	59,186	1.2%

FIGURES IN €MILLION

Non-Life insurance policies accounted for 53% of the total volume of premiums. In absolute terms, Motor Insurance continues to account for most business, albeit with a negative growth rate, due to the stiff competition coupled with the sharp downturn in new car sales, although they began picking up in the second half of the financial year. The table below shows the total estimated volume of Non-Life insurance premiums broken down into lines of business, and the change with respect to the previous year:

	2009	2008	% Var. 09/08
Motor	11,657	12,318	[5.4%]
Health	6,137	5,838	5.1%
Multi-peril	6,077	5,895	3.1%
Other Non-Life	7,850	8,529	[8.0%]
Total Non-Life	31,721	32,580	[2.6%]

FIGURES IN €MILLION

1) Source: INVERCO, ICEA



José Manuel Martínez and the Chairman of BANCO DO BRASIL at the signing of the memorandum between the two groups

As in previous years, the relative importance of the Motor insurance business dropped again, as shown in the following table:

	2009	2008	2007	2006	2005
Motor	36.7%	38.0%	39.5%	40.6%	41.5%
Multi-peril	19.3%	18.1%	17.2%	16.8%	16.3%
Health	19.2%	18.0%	17.0%	16.3%	15.9%
Other Non-Life	24.7%	25.9%	26.3%	26.3%	26.3%

Based on the trends seen up to September, the technical result worsened again, following the trend that began to appear in 2008. The following table shows the development of the combined ratio calculated as a percentage of net premiums earned, which measures said technical result:

	Total		Motor		Multi-peril		Health	
	30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08	30.09.09	30.09.08
Loss ratio	72.5%	71.6%	79.0%	75.5%	63.7%	61.3%	84.0%	81.4%
Expense ratio	21.1%	20.5%	17.7%	17.8%	31.0%	30.4%	10.4%	11.4%
Combined ratio	93.6%	92.1%	96.7%	93.3%	94.7%	91.7%	94.4%	92.8%

The volume of managed Life savings, represented by technical reserves, was €143,796 million, a 5.6% rise with respect to the previous year.

The table below shows the progress by managed Life savings, mutual funds and pension funds, and their respective increases against the previous year:

	2009	2008	% Chg. 09/08
Life Assurance	143,796	136,133	5.6%
Mutual Funds	224,667	224,707	0.0%
Pension Funds	84,789	78,406	8.1%
Total	453,252	439,246	3.2%

FIGURES IN €MILLION

Latin American markets²

The table below displays the changes in the volume of written premiums³ of the major Latin American insurance markets, according to the most recent information available:

Country	Date	Non-Life	Life	Total
Argentina	30/06/2009	28.1%	(12.2%)	17.7%
Brazil	30/11/2009	3.6%	23.3%	13.0%
Colombia	30/09/2009	12.3%	18.6%	14.8%
Chile	30/09/2009	(1.3%)	(11.6%)	(7.6%)
Dominican Republic	30/11/2009	2.9%	36.5%	6.7%
Ecuador	30/09/2009	8.5%	11.6%	9.0%
Mexico	31/12/2009 (est.)	11.3%	9.8%	10.6%
Paraguay	30/06/2009	26.0%	19.7%	25.4%
Peru	30/11/2009	26.2%	10.1%	20.1%
Puerto Rico	30/09/2009	6.8%	(6.0%)	5.6%
El Salvador	30/09/2009	(4.0%)	15.6%	2.2%
Uruguay	30/09/2009	24.7%	35.5%	27.0%
Venezuela	30/11/2009	n.a.	n.a.	38.1%

In 2009, the Latin American markets performed as follows:

— **In Argentina**, with closure data to the end of June, the insurance market reported a high growth rate, albeit substantially lower than the previous year, as life insurance shrank due to the Disablement and Death insurance policies were transferred to the State. Non-Life insurance again was the main boost for market development, with substantial increases in Automobile insurance, due to an increase in rates as a result of regulatory changes, and Industrial Hazards, owing to higher wages and rates. Among Life insurance classes, there was a growth of

2) Data for Latin American markets were obtained from supervisory bodies and sectorial associations in each country, from MAPFRE companies operating there.

3) Percentage changes have been calculated with the most recent information available for each country.



José Manuel Martínez, awarded the prize of Best Spanish Businessman by the Spanish Chamber of Trade in Chile



Presentation of the book “From mutual to multinational company”, about MAPFRE’s 75 years of history

collective retirement insurance as a result of the sales efforts made by insurance companies to make up for the effects of the transfer of certain insurance classes to the Government. Claims have improved in Life insurance, mainly due to the reductions in the Life and Retirement business, and the growth in premiums, but they worsened in Non-Life insurance, mostly because of the rise in the number of claims and lawsuits in connection with Industrial Hazard insurance. In the month of November thorough amendments were incorporated to the Industrial Hazards Act, which raise the cover to be provided by Insurance Companies and introduce restrictions on the possibility of transferring the cost to the rates charged to the insured. This foretells a significant worsening of claims in Industrial Hazards insurance for the following year.

— **In Brazil**, according to figures to the end of November, market growth rate stayed at sustained levels, albeit rather lower than the same period of the previous year due to the effect of the economic crisis. VGBL⁴ Life insurance, distributed mainly via banks, is confirmed as the main force behind market growth, thanks to fiscal incentives that attract funds from mutual and pension funds. The Non-Life insurance classes have recorded a sharp slowdown in their growth rates, mainly due to the contraction of the Liability insurance for Personal Damages Caused by Automobiles on Terrestrial Roads (DPVAT in the Spanish acronym), because of the high number of defaults caused by the economic crisis. Altogether, claims have remained relatively stable as a result of a slight increase in Automobile insurance, offset by a decrease in

General Insurance and in the Collective Life Insurance business. During the year there were a number of corporate transactions which increased the market concentration, among which we must mention the following: the merger of the insurance companies Porto Seguro and Unibanco-Itaú; the acquisition of 50% of the capital of Marítima by the Japanese insurer Yasuda; the purchase by Santander of the company Real Vida e Previdência, which was formerly owned by Tokio Marine; the purchase of Minas Brasil by Zurich and of La Indiana Seguros by Liberty.

— **Chile:** according to figures at the end of September, the insurance business contracted due to the economic crisis, particularly in Life insurance, which is the main class of insurance, as a result of a decline in annuity insurance because of the low returns offered and the uncertainty on the evolution of financial markets. Non-Life insurance also contracted but to a lesser extent. Automobile insurance declined by 2%, due to the effects of the recession and the decline in the number of vehicles sold. Meanwhile, Marine Insurance and All Risk Construction and Assembly insurance dropped substantially owing to the contraction in economic activity. Claims were relatively stable in Life insurance, whereas they hiked in Non-Life insurance, mainly because of increases in the Unemployment (Payment Protection) and Credit insurance classes, as a result of an increase of defaults, and in Automobile insurance, due to the higher cost of spare parts and the higher increase of theft. The following acquisitions took place in the financial year: ISE Chile Compañía de Seguros Generales S.A., acquired by HDI Seguros S.A.; ING Seguros de Rentas Vitalicias S.A., acquired by Corp Group; and RBS (Chile) Seguros de Vida S.A., acquired by Compañía de Seguros de Vida Cámara S.A.

4) Life Insurance Generating Free Benefits.

The main force behind this development was Life insurance, due to the increase in the number of people reaching retirement age and recovering their pension plans to acquire annuities

— **Colombia:** according to figures at the end of September, steady growth rates remain in place. The main force behind this development was Life insurance, due to the increase in the number of people reaching retirement age and recovering their pension plans to acquire annuities. Health insurance grew by 15%, thanks to an increase in the demand of coverage to supplement state healthcare assistance. In Non-Life insurance there was an important contribution by Compliance (Surety) insurance, as a result of the increase of public works projects as part of the anti-recession policies executed by the government, and the growth of Industrial and Civil Liability insurance thanks to the rise of rates. On the other hand, Automobile insurance grew by little more than 1% as a result of price hikes, because automobile sales declined. Claims rose substantially in Industrial Accidents owing to the entry into operation of a government agency (ARP Positiva) that has paid out a huge volume of benefits to the insured, and in income protection insurance because of the increase in pensions, but they remained stable in Non-Life insurance, with a decline in the frequency of car thefts.

— **Dominican Republic:** according to figures at the end of November, there was a slowdown of the growth rate of the insurance market, mainly due to the contraction of economic activity and price competition. Automobile insurance, the main insurance class in the market, contracted by nearly 2% due to the strong decline in the sale of new vehicles. In Life insurance there was a substantial growth of Collective policies, mainly due to the outsourcing of pension commitments. Claims improved in Non-Life insurance, mainly thanks to the absence of important hurricanes and the decline in the frequency of thefts covered by Automobile insurance. On the other hand, claims worsened in Life and Health insurance.

— **Ecuador:** according to figures at the end of September, the growth of the insurance market slowed down compared to the previous year, due to strong price competition, among other reasons. In Non-Life insurance, the largest contribution to growth came from Automobile insurance, as a result of an increase in the sale of vehicles, and from Aviation insurance thanks to the enlargement of the government aircraft fleet. The Obligatory Insurance for Traffic Accidents declined: after being introduced in 2008, leading to a strong growth of the market at large, it contracted due to a lowering of rates imposed by the government. In Life insurance there was an increase of nearly 12% in Group insurance due to the development of Credit insurance. Altogether, claims remained stable.

— **Mexico:** according to estimated figures for the end of the year (source: AMIS⁵), the growth rate of the insurance market rose compared to the previous year. The greatest contribution to this increase comes from Non-Life insurance, especially Damages, largely due to the renewal of the insurance policy by the oil company PEMEX (nearly US \$640 million). Conversely, automobile insurance contracted by nearly 7% owing to declining automobile sales. Life insurance continued to grow steadily thanks to the tax benefits granted to savings insurance and because these will be eliminated as from 2010. Claims hiked in Life insurance due to the



Meeting in Portugal of the heads of the Group's International Direct Insurance Companies

collection of savings policies as a result of the economic crisis. In Non-Life insurance there was a reduction in claims only because of the above-mentioned PEMEX policy, without which there would have been an increase, due to the higher frequency of theft-related claims.

— **Paraguay:** according to figures for the financial year ended in June, there was a hike in the growth rate compared to the previous year. This increase was largely due to Automobile insurance, which rose by 23.6%, favoured by the growth of automobile sales. There were also substantial increases in the Farming and Animal Husbandry insurance class, thanks to the entry of a new insurance company in the market and the higher demand of farming insurance by multinational companies, and in Technical Risks, mainly because of insurance cover related to the development of mobile telephony. Life insurance, which accounts for less than 10% of the market, grew at a rate similar to that of the previous year, boosted by the increase in the grant of loans, backed by credit insurance. Claims hiked dramatically in the Farming and Animal Husbandry class as a result of thaw and drought, and there was a significant rise in the Technical

5) Mexican Association of Insurance Institutions.



Risks class as a consequence of the increase in the frequency of theft and claims involving expensive electronic equipment.

— **Peru:** according to figures at the end of November, the growth rate of the insurance market rose compared to the year before, largely due to the widespread increase of rates as a result of the decline in financial revenue. Non-Life insurance was the main force behind the market growth, particularly the following: Automobile insurance, because of the increase in the number of new vehicles and rates adjustments; Technical insurance classes, thanks to the growth of the economy; and the Multiple Insurance class, as a consequence of the increase in the placement of micro insurance policies through supplementary distribution channels such as shops and public service enterprises. Life insurance continued growing at rates similar to those of the previous year. Its growth was grounded mainly on Credit Insurance, boosted by the higher demand of credit, and Income insurance for the retired. Claims have declined in general terms, thanks to the absence of important accidents, the upward review of rates and the adoption of measures for controlling claims in Automobile insurance.

— **Puerto Rico:** according to figures at the end of September, the growth rate rose compared to the previous year, although it is a result of differing events. Market development is boosted only by Health insurance and more specifically by the Medicare Program, which has recovered its growth pattern after stagnating the year before, in spite of the fact that it has reached a near saturation level. Private Medical insurance decreased slightly as a consequence of the shutdown of companies and the reduction of the corporate benefits granted to employees. The rest of the Non-Life insurance classes grew by 2.2%, due to the economic crisis and the strong competition in the insurance market, as a result of which rates are too low. Life insurance contracted significantly due to the decline in the demand of products linked to equity and loans. Health insurance claims improved but there were impairments in the rest of the Non-Life insurance classes due to insufficient rates, giving rise to significant technical losses. During the year a number of legislative and regulatory measures were passed that had negative effects for insurance companies. These included an additional 5% taxation of profits; property tax was duplicated. There was also an implementation of "Risk-based Capital" or "RBC" solvency requirements, meaning that Health insurers will have to carry out capital increases. The Insurance Commissioner intervened and closed an insurance company, Preferred Health, owing to financial difficulties. SDM Healthcare Management and Prosalud are likewise in liquidation. Triple S, an insurance company, acquired the Healthcare business of La Cruz Azul de Puerto Rico and the Life Insurance Cooperative transferred its Health insurance portfolio to the company MCS.

— **El Salvador:** according to figures at the end of September, there was a substantial slowdown of the growth rate of the insurance market compared to the previous year, basically because of the declining demand of Non-Life insurance as a result of the economic crisis. Conversely, the growth rate of Life insurance picked up compared to the year before, thanks to the growth of savings products and those linked to loans in the bank assurance channel. Claims worsened substantially in Non-Life insurance, among other reasons because of the effects of the storm "Ida", and they improved slightly in Life insurance.

— **Uruguay:** according to figures at the end of September, there was a substantial hike in growth rates compared to the previous year, thanks to the good performance of the economy in spite of the global crisis. Non-Life insurance recorded important rises in virtually all of the insurance classes, particularly the 35% rise in automobile insurance as a consequence of the increase in sales of "Zero Km" vehicles (dealer-registered new vehicles) and the enforcement of compulsory Automobile insurance in the month of August, which allowed the effects of intensive price competition to be offset. As in previous years, Life insurance grew steadily thanks to the growth of the labour force, the improvement of wages and the development of collective insurance linked to loans (Payment Protection). Claims remained relatively stable.

— **Venezuela:** according to figures at the end of November, the growth rate remained at levels similar to those of the previous year. The 38.1% increase, compared to an inflation rate of 25.1%, leaves a positive rate in real terms. The growth of the business was grounded mainly on Automobile and Health insurance. The Government is acquiring greater weight in the industry as an insurer, via the companies Horizonte and Previsora (the government assumed the control of the latter in 2009), and as an insured, due to the large volume of insurance policies taken out by public sector companies, especially in collective Health insurance. Claims continued rising in 2009 due to the significant increase of the cost of spare parts in Automobile insurance and very high increases in medical assistance expenses.

Other markets

— **USA:** according to figures at the end of September, Non-Life insurance contracted by 4.8%, a more negative rate than one year earlier, mainly because of the decline of demand and prices as a consequence of the economic crisis. Life and Health insurance also fell, by 9.1%, mainly due to the retail business as a result of lower employment and the difficult economic situation. Claims improved in Non-Life insurance, thanks to fewer catastrophe-related losses, and there were also fewer losses in the financial and mortgage-guarantee businesses, together with a comparatively more favourable development of technical provisions. The state of Massachusetts, which concentrates 75% of the premiums subscribed by THE COMMERCE INSURANCE GROUP, there continued to be harsh competition for individual Automobile insurance. 2009 was the first full financial year with a competitive market after the Insurance Commissioner liberalised rates in April 2008. It is estimated that the number of vehicles insured in Massachusetts declined by 1.4% in 2009.

— **Portugal:** according to figures at the end of November, the market contracted by 3.9%. Non-Life insurance declined by 4.6%, mainly because of the 7.9% fall in automobile insurance due to the slowing of the economy and strong price competition. As in previous years, the savings and retirement product “Plano de



Esteban Tejera receives the prize awarded to MAPFRE from World Finance, of best insurance company in Spain

Poupança - Reforma” (PPR), which enjoys important tax benefits, continued to grow at steady rates (+ 41.6%). In spite of this, Life insurance in the aggregate contracted by 3.7%, mainly due to the 8.8% decline in the demand of capitalisation products. Non-Life insurance claims increased despite a decrease in the volume of claims in absolute terms, owing to the above-mentioned contraction in the volume of premiums. There were two corporate operations during the year: the purchase of Real by Lusitania and the acquisition of Global by Açoreana. Meanwhile, MAPFRE SEGUROS GERAIS agreed to acquire a 50% holding in the company Finibanco Vida, an affiliate of Finibanco, a financial institution.

— **Turkey** according to figures at the end of November, the growth rate of the insurance market slowed down sharply compared to the previous year, settling at 4.6%, which, considering the inflation rate (6.2%; source: IMF), represents a contraction in real terms for the second year in a row. This evolution was mainly due to an 8.1% decline in Automobile Damage insurance, as a consequence of lower demand owing to the economic crisis and strong price competition. Altogether, Non-Life insurance grew by 2.9% thanks to RC Auto, Earthquake and General insurance. Life insurance, on the other hand, retained a positive growth rate of 15% (16.7% in 2008), thanks to the sale of Life and Risk insurance in connection with mortgages. Non-Life insurance claims rose as a consequence of insufficient rates for most insurance classes and the damages caused by floods in September.

Reinsurance market

The international reinsurance market developed positively in 2009, although with difficulties, in a context marked by the severe economic and financial crisis that has affected all of the countries in the world to a greater or lesser extent.

In the first half of 2009, the reinsurance market recorded: a small growth of premiums (1.7%); a combined ratio similar to that of the year before; and better earnings than in the same period of the preceding year, although they were affected by some impairments in terms of investments. Earnings are expected to have improved also in the second half of the year, thanks to the hike in financial revenues and the low volume of catastrophe-related claims. This pattern could continue throughout 2010.

This evolution is a consequence of the difficulties in replacing lost capital, which leads reinsurers to be extremely prudent when subscribing insurance policies and to reduce business volatility and investment risk as far as possible. In order to overcome this difficulty, mergers and acquisitions are taking place, seeking to obtain more financial muscle and to diversify portfolios. The financial reinsurance market continues recording transactions with catastrophe bonds, but the number and amounts of same are not significant.

There have also been changes in the addresses of the reinsurers, some of which have moved from Bermuda to Switzerland or Ireland, or they are now part of a syndicate in Lloyds, as a measure for keeping down regulatory risks and the high cost of having an establishment in Bermuda. This migration could be heightened in forthcoming years.

The two largest rating agencies give the industry a stable outlook for 2009 and 2010, and no changes are foreseen in this appraisal unless there is a significant impairment of financial markets.

► Business development

Operating revenues and funds under management

Direct insurance and accepted reinsurance premiums written by the subsidiaries of the Group amounted to €16,501.3 million in 2009, a 9% increase. Consolidated premiums totalled €15,606.8 million, a rise of 9.1%. Total operating revenues reached €19,207.7 million, including €377.3 million of new gross contributions to pension funds. The breakdown of these revenues by business line is shown in the following table⁶:

	2009	2008	% 09/08
Companies operating mainly in Spain	10,401.3	10,852.9	(4.2%)
- Gross written and accepted premiums	8,144.2	8,329.2	(2.2%)
- Income from investments	1,619.8	1,810.0	(10.5%)
- Non-insurance companies revenues and other	637.3	713.7	(10.7%)
Companies operating mainly abroad	9,424.0	7,895.9	19.4%
- Gross written and accepted premiums	8,357.1	6,807.4	22.8%
- Income from investments	872.9	922.5	(5.4%)
- Non-insurance companies revenues and other	194.0	166.0	16.9%
Parent company	935.6	785.0	19.2%
TOTAL REVENUES	20,760.9	19,533.8	6.3%
Consolidation adjustments and other companies	(1,930.5)	(1,822.9)	5.9%
TOTAL CONSOLIDATED REVENUES	18,830.4	17,710.9	6.3%
Gross contributions to pension funds	377.3	565.9	(33.3%)
TOTAL REVENUES FROM OPERATIONS	19,207.7	18,276.8	5.1%

FIGURES IN MILLION EUROS

⁶) Figures for MAPFRE GLOBAL RISKS, included in MAPFRE INTERNACIONAL for operating purposes since December 2009, are presented as part of the business activities in Spain. As from 2010, these will be presented as part of the companies which operate mainly abroad.

In 2009, both the total cumulative and total consolidated revenues exceeded the figures for the previous year, having both recorded increases of 6.3%, which were driven primarily by business growth at the subsidiaries of the Group that operate mainly outside of Spain. In this regard, the sustained growth at MAPFRE AMÉRICA and the consolidation of THE COMMERCE GROUP for the whole year must be noted.

The following table shows the evolution of funds under management in Life assurance and Savings products:

	2009	2008	% 09/08
Life assurance technical reserves	17,663.1	17,223.3	2.6%
Pension funds	3,781.4	3,414.7	10.7%
Mutual funds and managed portfolios	2,686.0	2,655.0	1.2%
TOTAL	24,130.5	23,293.0	3.6%

FIGURES IN MILLION EUROS

The variation in funds under management recorded in 2009 is mainly due to the winning of new business through the agents channel; surrenders and maturities in Life assurance in the bancassurance channel; the growth of assets managed in mutual and pension funds; the recovery in the market value of financial assets; and the sustained business growth in Brazil.

Excluding the effect of the adjustments arising from the change in the market value of the assets backing Life assurance technical reserves, funds under management would increase 2.9%.

Direct insurance and accepted reinsurance premiums written by the Group companies that operate primarily in Spain reached €8,144.2 million, to which €377.3 million of new gross contributions to pension funds must be added



MAPFRE participated in the 16th insurance sector symposium



Jose Manuel Martínez forms part of the trustees of “Fundación Carolina”, which met in the Palacio de la Zarzuela in January 2009

SPAIN

Direct insurance and accepted reinsurance premiums written by the Group companies that operate primarily in Spain reached €8,144.2 million, to which €377.3 million of new gross contributions to pension funds must be added, with the following breakdown by company:

	2009	2008	% 09/08
MAPFRE FAMILIAR	4.071,9	4.215,9	(3,4%)
COMMERCIAL INSURANCE OP. UNIT ⁽¹⁾	1,504.8	1,613.6	(6,7%)
– MAPFRE EMPRESAS	666.4	836.1	(20,3%)
– MAPFRE GLOBAL RISKS ⁽¹⁾	838.4	777.5	7,8%
NON-LIFE INSURANCE IN SPAIN	5,576.7	5,829.5	(4,3%)
LIFE SAVINGS	2,210.4	2,165.1	2,1%
Agents channel	1,215.9	1,127.8	7,8%
Bank channel - CAJA MADRID	573.1	741.1	(22,7%)
Bank channel - Other ⁽²⁾	421.4	296.2	42,3%
LIFE PROTECTION	357.1	334.6	6,7%
Agents channel	149.6	153.4	(2,5%)
Bank channel - CAJA MADRID	130.5	121.4	7,5%
Bank channel - Other ⁽²⁾	77.0	59.8	28,8%
LIFE ASSURANCE IN SPAIN⁽¹⁾	2,567.5	2,499.7	2,7%
TOTAL PREMIUMS	8,144.2	8,329.2	(2,2%)
Gross contributions to pension funds	377.3	565.9	(33,3%)

FIGURES IN MILLION EUROS

(1) As from 2010, MAPFRE GLOBAL RISKS will be presented as part of the companies which operate mainly abroad.

(2) Includes BANKINTER VIDA, CCM VIDA Y PENSIONES and UNIÓN DUERO VIDA (the latter consolidated from 1.7.2008). MAPFRE VIDA's branch in Portugal is included in MAPFRE INTERNACIONAL.

The variation in premiums at MAPFRE FAMILIAR reflects:

- a 7.4% decline in Motor insurance, due to the contraction in car sales, the intense competition and customer demand for products with fewer covers. This trend has begun to change in the last quarter, thanks to the positive effect of loyalty initiatives and to the partial recovery in car sales. At the end of the period, MAPFRE insured 5,799,641 vehicles in Spain;
- the good performance of Homeowners' insurance (+4.8%);
- the 4.9% rise in Health, Accident and Burial, thanks to the strength of Health insurance (+9.1%). Premiums from contracts with MUFACE and ISFAS (civil servants' mutual purchasing associations) that will not be renewed in 2010 amounted to €127.4 million.

Premiums development of the COMMERCIAL INSURANCE OPERATING UNIT reflects lower demand as a result of the slowdown in economic activity, the contraction in the Credit line, due to the non-renewal of loss-making portfolios, and the good performance of the Global Risks business in Latin America and Europe.

The evolution of Life assurance premiums reflects:

- a larger issuance of Life – Savings products through the agents channel;
- the good performance of Life – Protection premiums, which have grown 6.7%;

- the winning of operations with large corporate clients amounting to €105.5 million;
- the consolidation of UNION DUERO VIDA during the whole year.

The following table shows the breakdown of written and accepted premiums by insurance lines for 2008 and 2009, together with the corresponding market shares (provisional figures for 2009):

	2009	2008	% Var.	Market shares(*) ⁽¹⁾	
				2009	2008
Motor	2,348.4	2,535.3	(7.4%)	20.1%	20.6%
Health	499.3	461.5	8.2%	8.1%	7.9%
Other - Non-Life	2,729.0	2,832.7	(3.7%)	17.2%	18.2%
TOTAL NON-LIFE	5,576.7	5,829.5	(4.3%)	16.5%	17.4%
Life Protection	357.1	334.6	6.7%		
Life Savings	2,210.4	2,165.1	2.1%		
TOTAL LIFE	2,567.5	2,499.7	2.7%	9.0%	9.7%
TOTAL	8,144.2	8,329.2	(2.2%)	13.0%	13.9%

FIGURES IN MILLION EUROS

(1) Market shares based on data published by ICEA, which only consider written premiums. As from 2010, MAPFRE GLOBAL RISKS will be presented as part of the companies which operate mainly abroad.

The following table shows the breakdown by company of premiums written through the agents and bank channels:

	AGENTS AND OTHER CHANNELS			BANK CHANNEL			TOTAL		
	2009	2008	% Var	2009	2008	% Var	2009	2008	% Var
LIFE ⁽¹⁾	1,260.0	1,224.9	2.9%	1,202.0	1,218.6	(1.4%)	2,462.0	2,443.5	0.8%
MAPFRE FAMILIAR	3,888.0	4,020.6	(3.3%)	183.9	195.3	(5.8%)	4,071.9	4,215.9	(3.4%)
COMM. INSURANCE OP. UNIT ⁽²⁾	1,494.2	1,594.4	(6.3%)	10.6	19.2	(44.8%)	1,504.8	1,613.6	(6.7%)
– MAPFRE EMPRESAS	655.8	816.9	(19.7%)	10.6	19.2	(44.8%)	666.4	836.1	(20.3%)
– MAPFRE GLOBAL RISKS ⁽²⁾	838.4	777.5	7.8%	–	–	–	838.4	777.5	7.8%
NON-LIFE	5,382.2	5,615.0	(4.1%)	194.5	214.5	(9.3%)	5,576.7	5,829.5	(4.3%)
LIFE ⁽¹⁾									
MAPFRE VIDA – Large corporate operations							105,5	56,2	87,7%
TOTAL⁽¹⁾	6,642.2	6,839.9	(2.9%)	1,396.5	1,433.1	(2.6%)	8,144.2	8,329.2	(2.2%)

FIGURES IN MILLION EUROS

(1) Includes BANKINTER VIDA, CCM VIDA Y PENSIONES and UNIÓN DUERO VIDA (the latter consolidated from 1.7.2008). MAPFRE VIDA's branch in Portugal is included in MAPFRE SEGUROS GERAIS (MAPFRE INTERNACIONAL).

(2) As from 2010, MAPFRE GLOBAL RISKS will be presented as part of the companies which operate mainly abroad.

The volume of premiums issued through the CAJA MADRID network amounted to €703.6 million in 2009, a decrease of 18.4%, due mainly to a lower issuance of Life – Savings products. Sales of CAJA MADRID banking products (loans and deposits) contributed by the MAPFRE network stood at €2,542.3 million, a 25.9% decrease.



2009 Annual Shareholders' meeting

Total revenues from investments for those companies operating primarily in Spain decreased 10.5% to €1,619.8 million (versus €1,810 million in 2008). Of these, €1,260.8 million came from interests, dividends and equivalents, versus €1,443.8 million in 2008.

Other revenues from companies that operate primarily in Spain amounted to €637.3 million, a decrease of 10.7% over the previous year. Their breakdown by company is shown in the following table:

	2009	2008	% 09/08
MAPFRE INVERSIÓN and subsidiaries	83.7	104.2	(19.7%)
MAPFRE INMUEBLES	56.9	60.8	(4.8%)
MAPFRE QUAVITAE	134.7	118.8	13.4%
Other entities	362.0	429.9	(15.8%)
TOTAL	637.3	713.7	(10.7%)

FIGURES IN MILLION EUROS

The subsidiaries that operate in stockbroking, as well as mutual and pension fund management, which are grouped under MAPFRE INVERSIÓN, obtained revenues of €83.7 million, a 19.7% decrease versus 2008. The volume of assets in mutual funds and managed portfolios stood at €2,686.0 million, equivalent to a 1.2% increase. At year end, assets managed in pension funds amounted to €1,635.0 million, an increase of 10.9%.

INTERNATIONAL

Premiums written and accepted by the companies whose activity is primarily international evolved as follows:

	2009	2008	% 09/08
Life	953.5	818.6	16.5%
LATIN AMERICA	909.7	772.0	17.8%
OTHER COUNTRIES ⁽¹⁾	43.8	46.6	(6.0%)
Non-life	4,992.8	3,908.7	27.7%
LATIN AMERICA	3,395.7	2,835.9	19.7%
OTHER COUNTRIES ⁽¹⁾	1,597.1	1,072.8	48.9%
DIRECT INSURANCE	5,946.3	4,727.3	25.8%
ACCEPTED REINSURANCE	2,053.7	1,778.6	15.5%
ASSISTANCE	357.1	301.5	18.4%
TOTAL CUMULATIVE PREMIUMS	8,357.1	6,807.4	22.8%

FIGURES IN MILLION EUROS

(1) Includes THE COMMERCE GROUP (USA), MAPFRE INSULAR (the Philippines), MAPFRE GENEL SIGORTA (Turkey) and the businesses in Portugal.

The following table shows the breakdown of premiums written by these companies by business lines:

	2009	2008	% Var
Motor	2,583.9	1,919.0	34.6%
Health and accidents	738.6	607.9	21.5%
Life & Burial	953.0	821.2	16.0%
Other lines	1,670.8	1,379.2	21.1%
TOTAL	5,946.3	4,727.3	25.8%

FIGURES IN MILLION EUROS

The strong premiums growth at MAPFRE AMÉRICA reflects:

- the excellent business performance in most countries of the region, especially in the Health and Accidents lines;
- the strength of the regional network and the new distribution channels, which compensated for the non-renewal of some corporate accounts.

The following table shows the breakdown of the growth rates of Direct Insurance premiums achieved in the various countries:

Country	PREMIUMS (LIFE AND NON-LIFE)			
	2009	2008	% 09/08	% 09/08
BRAZIL ⁽¹⁾	1,644.5	1,419.4	15.9%	19.2%
VENEZUELA	855.4	483.9	76.8%	69.5%
ARGENTINA	402.1	378.9	6.1%	19.1%
MEXICO	379.7	392.3	(3.2%)	11.8%
PUERTO RICO	287.1	318.0	(9.7%)	(14.5%)
OTHER COUNTRIES ⁽²⁾	736.6	615.4	19.7%	—
MAPFRE AMÉRICA	4,305.4	3,607.9	19.3%	—

FIGURES IN MILLION EUROS

(1) Figures for Brazil in 2009 include premiums from MAPFRE NOSSA CAIXA of €206.5 million (€173.5 million in 2008).

(2) Includes Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Paraguay, Peru and Uruguay.

According to the figures for 2008, which are the latest available, MAPFRE is still the leading Non-life insurance company in Latin America, with a 6.9% market share in the countries and regions in which it operates. The following table shows the Non-life Direct Insurance market shares in the various countries:

The INTERNATIONAL OPERATING UNIT obtained total premiums of €1,640.9 million, with a notable increase due to the consolidation for the whole year of the operations of COMMERCE, the US insurance group

COUNTRY	MARKET SHARES ⁽¹⁾
Argentina	8.5%
Brazil	6.7%
Chile	9.4%
Colombia	5.9%
Ecuador	3.8%
El Salvador	14.5%
Mexico	4.9%
Paraguay ⁽²⁾	24.8%
Peru	12.1%
Puerto Rico	14.1%
Dominican Republic	14.6%
Uruguay	5.2%
Venezuela	6.8%

(1) Figures according to latest figures available for each market.

(2) Total market share (Life and Non-life).

The INTERNATIONAL OPERATING UNIT obtained total premiums of €1,640.9 million, with a notable increase due to the consolidation for the whole year of the operations of COMMERCE, the US insurance group. The breakdown of the growth rates of Direct Insurance premiums achieved in the various countries is shown in the following table.

Country	PREMIUMS (LIFE AND NON-LIFE)			
	2009	2008	% 09/08	Local currency % 09/08
USA ⁽¹⁾	1,263.8	721.6	-	-
TURKEY	212.8	232.1	(8.3%)	6.4%
PORTUGAL	141.1	143.9	(1.9%)	(1.9%)
PHILIPPINES	23.2	21.8	6.4%	7.2%
INTERNATIONAL OPERATING UNIT	1,640.9	1,119.4	46.6%	

FIGURES IN MILLION EUROS

(1) THE COMMERCE GROUP took over MAPFRE USA in 2009. Does not include Puerto Rico.

In the accepted reinsurance business, MAPFRE RE and its subsidiaries recorded consolidated premiums of €2,053.7 million (€1,778.6 million in 2008). The 15.5% growth continues reflecting the winning of new business and quota increases in existing contracts, as well as larger cessions from the Group's international subsidiaries. Net written premiums amounted to €1,400.1 million, representing a retention rate of 68.2% (67.2% in the previous year).

The total revenues (premiums and income from the sale of services) at MAPFRE ASISTENCIA and its subsidiaries reached €483.8 million, a 13.6% increase over the same period of the previous year. Of these, €357.1 million corresponded to written and accepted premiums, with an 18.4% increase, and €126.7 million to revenues from services, a 1.9% rise.

Total revenues from investments for those companies operating primarily outside of Spain have decreased 5.4% to €872.9 million (versus €922.5 million in 2008). Of these, €597.3 million came from interests, dividends and equivalents, versus €554.9 million in 2008.



Management ratios

In Non-life lines, the consolidated combined ratio was 95.7%. The increase resulted from a higher loss ratio at MAPFRE FAMILIAR, MAPFRE EMPRESAS and MAPFRE AMÉRICA, partly offset by an improvement at MAPFRE RE; a decrease of the expense ratio in almost all operating units thanks to the various cost containment policies in progress; and the consolidation of THE COMMERCE GROUP for the whole year. The development of the main management ratios is shown in the following table:

COMPANY	RATIOS					
	EXPENSE RATIO ⁽¹⁾		LOSS RATIO ⁽²⁾		COMBINED RATIO ⁽³⁾	
	2009	2008	2009	2008	2009	2008
MAPFRE S.A. consolidated	24.9%	25.1%	70.8%	68.8%	95.7%	93.9%
Companies operating primarily in Spain						
MAPFRE FAMILIAR	17.3%	18.3%	73.4%	70.5%	90.7%	88.8%
MAPFRE EMPRESAS	26.2%	21.6%	68.6%	66.6%	94.8%	88.2%
TOTAL NON-LIFE SPAIN	18.6%	18.8%	72.7%	69.9%	91.3%	88.7%
LIFE ASSURANCE OP. UNIT ⁽⁴⁾	1.16%	0.92%				
Companies operating primarily abroad						
MAPFRE AMÉRICA	33.2%	36.1%	70.7%	67.6%	103.9%	103.7%
INTERNATIONAL OP. UNIT	27.3%	27.3%	71.6%	71.3%	98.9%	98.6%
INT'L. DIRECT INSURANCE DIVISION	31.4%	33.2%	71.0%	68.8%	102.4%	102.0%
MAPFRE RE	29.9%	30.4%	63.6%	65.1%	93.5%	95.5%
MAPFRE ASISTENCIA	27.3%	30.1%	63.9%	63.3%	91.2%	93.4%

(1) [Operating expenses, net of reinsurance + profit sharing and returns – other technical income + other technical expenses] / Net premiums earned. Figures for the Non-life business.

(2) [Net claims incurred + variation of other technical reserves] / Net premiums earned. Figures for the Non-life business.

(3) Combined ratio = Expense ratio + Loss ratio. Figures for the Non-life business.

(4) Net operating expenses / average third party funds under management. Ratio for MAPFRE VIDA.



Results

The net result attributable to the parent company (after minority interests) amounted to €926.8 million, a 2.9% increase.

The following table shows the sources and breakdown of results:

	2009	Jun-05	% Var.
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	11,900.3	10,890.8	9.3%
Premiums earned, net of ceded and retroceded reinsurance	10,242.4	9,192.9	11.4%
Net claims incurred and variation in other technical provisions	(7,244.0)	(6,326.6)	14.5%
Operating expenses, net of reinsurance	(2,486.3)	(2,224.4)	11.8%
Other technical income and expenses	(67.7)	(83.2)	(18.6%)
Technical Result	444.4	558.7	(20.5%)
Net fin'l. income and other non-technical income and expenses	705.0	640.1	10.1%
Result of Non-life business	1,149.4	1,198.8	(4.1%)
LIFE ASSURANCE AND REINSURANCE			
Gross written and accepted premiums	3,706.5	3,414.0	8.6%
Premiums earned, net of ceded and retroceded reinsurance	3,471.8	3,280.2	5.8%
Net claims incurred and variation in other technical reserves	(3,455.3)	(3,487.3)	(0.9%)
Operating expenses, net of reinsurance	(549.4)	(481.8)	14.0%
Other technical income and expenses	(3.6)	(7.7)	(53.2%)
Technical Result	(536.5)	(696.6)	(23.0%)
Net fin'l. income and other non-technical income and expenses	834.3	999.2	(16.5%)
Unrealised gains and losses in Unit-Linked products	26.2	(37.7)	-
Result of Life business	324.0	264.9	22.3%
OTHER BUSINESS ACTIVITIES			
Operating revenues	532.5	502.6	5.9%
Operating expenses	(488.4)	(522.8)	(6.6%)
Other revenues and expenses	(71.3)	(60.3)	-
Results from other business activities	(27.2)	(80.5)	(66.2%)
Result before tax and minority interests	1,446.2	1,383.2	4.6%
Taxes	(407.8)	(385.1)	5.9%
Result after tax	1,038.4	998.1	4.0%
Result after tax from discontinued operations	(2.3)	(2.2)	4.5%
Result for the year	1,036.1	995.9	4.0%
Result attributable to minority shareholders	(109.2)	(95.2)	14.7%
Result attributable to the controlling Company	926.8	900.7	2.9%

FIGURES IN MILLION EUROS

The provisions appropriated in 2008 in the amount of €56 million to offset the negative effects of the global economic environment were released this year.

The contribution of the main Units and Companies to the consolidated results is shown in the following table:

	Net result	Minority interests	Contribution to consolidated result 2009	Contribution to consolidated result 2008
INSURANCE ACTIVITIES				
LIFE ASSURANCE OP. UNIT ⁽¹⁾	125.2		125.2	148.8
MAPFRE FAMILIAR	430.8		430.8	503.9
MAPFRE EMPRESAS	76.7		76.7	114.5
OTHER ACTIVITIES				
MAPFRE INMUEBLES	(13.3)		(13.3)	(32.5)
MAPFRE QUAVITAE	(3.2)	1.4	(1.8)	(0.1)
BANCO DE S.F. CAJA MADRID - MAPFRE			(49.0)	0.3
COMPANIES OPERATING MAINLY IN SPAIN			568.6	734.9
MAPFRE AMERICA	113.4	(12.6)	100.8	100.9
MAPFRE RE	112.5	(9.6)	102.9	95.3
MAPFRE ASISTENCIA	16.3		16.3	10.8
INTERNATIONAL OP. UNIT ⁽²⁾	116.0	(14.4)	101.6	48.4
COMPANIES OPERATING MAINLY ABROAD			321.6	255.4
Other companies and consolidation adjustments			36.6	(89.6)
MAPFRE S.A.			926.8	900.7

FIGURES IN MILLION EUROS

1) Includes BANKINTER VIDA, CCM VIDA Y PENSIONES, UNION DUERO VIDA and DUERO PENSIONES.

2) Includes THE COMMERCE GROUP (USA), MAPFRE INSULAR (the Philippines), MAPFRE GENEL SIGORTA (Turkey) and the business in Portugal.



2009 Annual Shareholders' meeting

Investments and liquid assets

The book value of investments and liquid assets as at 31 December 2009 was €31,705.2 million, a 1.8% increase over the previous year. The following table shows their breakdown and percentage distribution:

	2009	% over total	2008	% over total
Risk-free investments	1,659.8	5.2%	1,887.5	6.1%
- Cash	861.1	2.7%	1,415.1	4.5%
- Unit-linked investments	798.7	2.5%	472.4	1.5%
Real Estate Investments	1,913.9	6.0%	1,849.2	5.9%
- Buildings for own use	1,055.5	3.3%	918.5	2.9%
- Other Real Estate investments	858.4	2.7%	930.7	3.0%
Financial investments	27,268.1	86.0%	26,275.5	84.4%
- Shares	554.9	1.8%	716.7	2.3%
- Fixed income	25,772.3	81.3%	24,205.6	77.7%
- Mutual funds	527.9	1.7%	750.8	2.4%
- Other financial investments	413.0	1.3%	602.4	1.9%
Other investments	863.4	2.7%	1,135.6	3.6%
- Investments in associated companies	429.2	1.4%	325.9	1.0%
- Accepted reinsurance deposits	202.6	0.6%	124.6	0.4%
- Other	231.6	0.7%	685.1	2.2%
TOTAL	31,705.2	100.0%	31,147.9	100.0%

FIGURES IN MILLION EUROS

The value of real estate investments shown in the previous table does not include unrealised gains, which amounted to €1,603.5 million at year end, according to valuations performed by independent surveyors.

Capital increases and other funding operations

The main variations in the funding sources of the Group in 2009 were the following:

- Two capital increases with pre-emptive subscription right totalling €320.4 million⁷, carried out in execution of the scrip dividend plans approved by the Board of Directors of the Company. As a result of these capital increases, 177,877,492 new shares were issued, so that the total number of outstanding shares reached 2,922,709,779

- Drawdown of credit facilities for a total amount of €616.9 million

- Amortisation of a syndicated bridge loan of €1 billion arranged in 2007

- Partial repurchases of subordinated debt amounting to €98.6 million

- Reimbursements of credit facilities drawn by subsidiaries for a total amount of €259 million

Overall, the balance of financial and subordinated debts of the Group at consolidated level has experienced a net decrease of €981.9 million during the year.

Payments on interests arising from debts with financial institutions and securities in issue amounted to €94.6 million (€140.6 million in 2008), a 32.7% decrease.

Balance sheet

The following table shows the consolidated balance sheet:

	2009	2008	% 09/08
ASSETS			
Goodwill	1,643.9	1,601.3	2.7%
Fixed assets	480.6	373.7	28.6%
Cash & equivalents	861.1	1,415.1	(39.2%)
Investments & real estate	30,844.1	29,732.8	3.7%
Participation of reinsurance in technical reserves	2,484.1	2,565.8	(3.2%)
Other assets	6,792.0	6,000.7	13.2%
TOTAL ASSETS	43,105.8	41,689.4	3.4%
LIABILITIES			
Shareholders' Equity	6,165.7	4,902.2	25.8%
Minority interests	928.1	814.2	14.0%
Financial & subordinated debt	2,062.6	3,044.5	(32.3%)
Technical reserves	29,767.1	28,857.2	3.2%
- Life assurance reserves ⁽¹⁾	17,253.5	16,677.6	3.5%
- Other technical reserves	12,513.6	12,179.6	2.7%
Reserves for risks and expenses	405.0	316.5	28.0%
Other liabilities	3,777.3	3,754.8	0.6%
TOTAL LIABILITIES	43,105.8	41,689.4	3.4%

FIGURES IN MILLION EUROS

(1) Includes unit-linked reserves

Total assets under management, including mutual and pension funds, amounted to €49,573.2 million (€47,759.1 million at the end of the previous year), a 3.8% increase.

⁷) Before taxes, duties and expenses

Overall, the balance of financial and subordinated debts of the Group at consolidated level has experienced a net decrease of €981.9 million during the year

Shareholders' equity and returns

The net consolidated equity stood at €7,093.8 million, compared to €5,716.4 million as at 31.12.2008. Of said amount, €928.1 million corresponded to minority interests in subsidiaries. Consolidated equity per share amounted to €2.11 at the end of 2009 (€1.80 as at 31.12.2008).

The variation in net equity during the year is shown in the following table:

	2009	2008
BALANCE AS AT PRIOR YEAR END	5,716.4	5,614.4
Additions and deductions accounted for directly in equity		
Investments available for sale	461.9	(647.7)
Translation adjustments	16.4	(116.4)
Shadow accounting	(89.5)	153.2
TOTAL	388.8	(610.9)
Result for the period	1,036.1	995.9
Distribution of previous year's result	(237.1)	(203.1)
Interim dividend for the year	(252.2)	(219.1)
Other items	441.8	139.2
BALANCE AS AT PERIOD END	7,093.8	5,716.4

FIGURES IN MILLION EUROS

Equity shows an increase of €1,377.4 million during the year, which reflects:

- the recovery in the market value of the investment portfolio;
- slight gains from translation differences (compared to significant losses in 2008);
- the results for the year;
- the success of the scrip dividend plan, which contributed €320.4 million to equity (before taxes, duties and expenses).

The return on equity (ROE), defined as the ratio between the net profit attributable to the parent company (after minority interests) and its average shareholders' equity, was 16.7% (19.5% in 2008).

The ROE for the main Units and Companies is shown in the following table:

	Average equity	2009 Net result	ROE % ⁽¹⁾	2008 ROE % ⁽¹⁾
MAPFRE FAMILIAR	1,329.2	430.8	32.4%	37.2%
LIFE ASSURANCE OP. UNIT	854.6	125.2	14.6%	16.9%
COMMERCIAL INSURANCE OP. UNIT	502.8	76.7	15.3%	23.3%
AMERICA	1,231.5	113.4	9.2%	10.2%
REINSURANCE	791.2	112.5	14.2%	14.2%
ASSISTANCE	127.5	16.3	12.8%	9.3%
INTERNATIONAL OP. UNIT	1,971.6	116.0	5.9%	4.9%
MAPFRE S.A. (consolidated)	5,533.9	926.8	16.7%	19.5%

FIGURES IN MILLION EUROS

(1) Results before taxes and minority interests / Average equity (after minority interests)



His Majesty king Juan Carlos greets José Manuel Martínez at the meeting of the trustees of "Fundación Carolina"

A letter of intent has been signed with BANCO DO BRASIL in order to negotiate the establishment of a strategic alliance in the Personal, General Insurance and Automobile businesses

► Main activities in the year

Acquisitions, projects and disposals

ACQUISITIONS AND DISPOSALS CARRIED OUT BY THE GROUP PARENT COMPANY

MAPFRE S.A. subscribed a capital increase carried out by BANCO DE SERVICIOS FINANCIEROS CAJA MADRID - MAPFRE, amounting to €56.3 million, corresponding to its 49% holding in said entity.

ACQUISITIONS AND DISPOSALS CARRIED OUT BY THE AFFILIATES

MAPFRE INTERNACIONAL has carried out the following transactions:

- Subscription of a capital increase carried out by MIDDLESEA Insurance Plc (Malta), amounting to €13.9 million and taking its holding in said company from 21 to 31.1%.
- Acquisition of an additional 10% stake at a price of US\$45 million (€30.1 million) in the share capital of MAPFRE GENEL SIGORTA. Following this operation, the holding in this affiliate is now at 90%.

MAPFRE AMÉRICA acquired holdings amounting to 56.7% and 57.1% respectively in ASEGURADORA MUNDIAL S.A. and MUNDIAL DESARROLLO DE NEGOCIOS S.A., affiliates of GRUPO MUNDIAL (Panama), the total cost being €68.8 million.

The above investments were financed using surplus cash that was available and credit facilities.

PROJECTS

A letter of intent has been signed with BANCO DO BRASIL in order to negotiate the establishment of a strategic alliance in the Personal, General Insurance and Automobile businesses. The agreement will consolidate the joint position of the partners in the industry and it will give rise to one of the most important insurance groups in Brazil, with a market share of 16%, which will rank first in personal insurance and second in damage insurance.

MAPFRE has signed an agreement to acquire 50% of FINIBANCO VIDA, a Life insurance affiliate of FINIBANCO (Portugal). As a result of the agreement, FINIBANCO will distribute exclusively through its bank network FINIBANCO VIDA Life insurance products and Non-Life products of MAPFRE SEGUROS GERAIS, an affiliate of MAPFRE INTERNACIONAL. In turn, MAPFRE shall encourage and promote the distribution of certain financial products of the bank through its agents in Portugal. This acquisition requires an initial investment of €10 million and another variable investment of €5 million depending on whether the established business plan is met. It is estimated that this transaction will provide the Portuguese affiliate of MAPFRE INTERNACIONAL with gross premiums totalling €26 million in 2010.



Results presentation



Prize awarded by "Mi Cartera de Inversion" to MAPFRE for its modular Health insurance product



Investments

The management of securities investments continues to be done with prudence, both in terms of credit risk and in terms of stock markets.

The solvency or creditworthiness of investments in fixed income remains very high: assets with a credit rating of AA or higher represent 70% of the total, and assets issued or backed by European Union member states represent 30%.

As far as stock exchange risk is concerned, equity positions represent only 5.4% of the financial assets in non-immune portfolios, and all of these positions contain unrealised capital gains of 11%.

The interest rate risk of Life insurance portfolios remains at very low levels: 94% of the mathematical provisions are hedged by fixed income assets and financial swaps, which give immunity in respect of interest rate risk, according to Spanish law. In the portfolios dedicated to Non-life insurance there has been a reduction of the modified duration in the latter part of the year, in light of expectations of a possible tightening of interest rates, and the year ended with a level of 4.2%

The same line of prudence has been maintained in respect of real estate investment, where the book balance at the end of the year (€1,913.9 million) represents 6% of total investments and 11.5% of the non-immune investments. 55% of the above-mentioned book balance (€1,055.5 million) corresponds to properties used by the Group, and the remaining 45% (€858.4 million) corresponds to properties that are leased or for sale, which at the end of the year had a weighted occupancy of 73.3% (77% in buildings and 60.5% in retail outlets, and excluding occupancy by the Group itself).

Among the transactions carried out in 2009, the most noteworthy were the sale of the building located at Paseo de Recoletos no. 23 in Madrid to FUNDACIÓN MAPFRE at a price of €59.9 million; the sale of the property located at Calle Isla del Hierro no. 3, in San Sebastián de los Reyes (Madrid), at a price of €24.7 million; the sale of the property located at Plaza de Chamberí no. 8 (Madrid) at a price of €48.5 million; and the completion of the construction of three buildings in Sant Cugat del Vallés (Barcelona), after investing €33 million.

The income generated by the buildings amounts to 109.6 million euros.

Over the coming years there are plans to maintain a moderate turnover of properties in an attempt to enhance the returns of the portfolio.

Human resources

The chart below shows the headcount at the end of 2009, compared with the headcount for the previous financial year.

Categories	Number					
	Spain		Other countries		Total	
	2009	2008	2009	2008	2009	2008
EXECUTIVES	391	388	631	571	1,022	959
MANAGERS	1,977	1,810	2,209	1,663	4,186	3,473
TECHNICIANS	8,996	8,655	8,319	8,378	17,315	17,033
CLERICAL STAFF	5,789	5,985	6,913	7,153	12,702	13,138
TOTAL	17,153	16,838	18,072	17,765	35,225	34,603

The of Social Responsibility Report includes extensive information about the Group's the human resources policy, under the heading "MAPFRE and its employees".

Marketing channels

MAPFRE's distribution network is the largest in the insurance industry in Spain, and it is one of the financial groups that has penetrated most extensively and deeply in Latin America MAPFRE continues to prefer maintaining its own networks in the countries where it is present, and this is compatible with the use of other distribution channels. Customer guidance, the global product supply and the adaptation to the legal and trade peculiarities of each of the markets in which it is present are some of the key features behind the success of MAPFRE'S business model.

MAPFRE's global network at year-end 2009 comprised 5,806 offices, of which 3,278 are located in Spain and 2,528 are abroad, and the latter include the offices dedicated to Assistance (40), Reinsurance (16) and Global Risks (4). In Spain the MAPFRE NETWORK has 438 direct offices, 2,793 delegated offices (managed by professional agents), and 47 offices specifically dedicated to Life insurance. Outside Spain, MAPFRE'S own network at year-end 2009 consisted of 702 direct offices and 1,826 delegated offices. There is a strong presence in Latin America, where MAPFRE had 1,980 offices at the end of the year.

Altogether, MAPFRE networks in 2009 interacted with 67,854 mediators, including agents and insurance brokers. In Spain, 21,194 agents and delegates and 3,703 brokers collaborate with the Group, while outside of Spain there are 17,158 agents and delegates and 25,799 brokers.

MAPFRE's own office network is supplemented by the distribution capacity provided by agreements with various institutions, especially bank assurance agreements entered into in recent years. Specifically, MAPFRE distributed its



Presentation of the MAPFRE Centre for tennis related medical treatment

products in 2009 through 3,840 bank assurance offices in Spain and 1,310 abroad. The Group also has 1,201 distribution agreements: 956 with garages and car dealers; 153 with banks and financial entities; and 92 other agreements.

The Corporate Responsibility report provides extensive information about the Group's relations with its brokers.

Internal control

MAPFRE'S internal Control system, besides facilitating the proper compliance with the legal regulations in force in the countries in which it is present, generates value added for the Group insofar it allows an enhancement of the management, efficacy and efficiency of the business processes, and the efficient execution of the Strategy Plan.

During 2009 advances went ahead in the development of the various components of the Internal Control System: Control Environment, Strategy Plans, Risk Management, Control, Reporting and Communication Activities, and Supervision.

Accordingly, Senior Management and the Human Resources Area have continued intensifying the Control Environment that already exists in the Organisation, by means of training and dissemination activities and other initiatives.

Regarding the Control Activities, work has continued via the Riskmap system in the updating of relevant procedures manuals, the identification of controls and the connection of same to risks, as underscored in number 7 of the Notes to the

Financial Statements. We must also mention the activities developed and implemented in the Technology and Procedures, Security and Environment areas, and the handling of transactions that are susceptible of being related to money laundering.

This philosophy has made MAPFRE worthy of being acknowledged as one of the best companies to work for (in Spain and Brazil), as the insurance company that customers rely on most following the financial crisis, as a socially responsible company (Mexico), or as one of the four Spanish companies listed on the corporate reputation ranking published by Reputation Institute.

Strategic planning

the Board of Directors of MAPFRE S.A. approved the Group's New Strategy Plan at the end of 2009. It establishes the goals and the major action plans for the 2010-2012 period. Accordingly, just like in previous years, the Group's Divisions, Units and Operating Companies have updated their own Strategy Plans.

In preparing the financial forecasts, efficiency and productivity indicators specific to each Unit or Company were used, along with the common, homogeneous economic and financial indicators established for the Group as a whole.

Internal audit

At the end of the year, the Company and its affiliates had five Internal Audit Services (IAS) in Spain, and fourteen Internal Audit Units (IAU) located in the main countries in Latin America, and in Turkey, the Philippines, Portugal and the United States, all of which are coordinated by the Group Audit Area.

During 2009 a total 881 audits were conducted, of which 359 dealt with the Headquarters, 161 had to do with the Territorial Organisation and 48 with affiliates, 252 were special task audits and 61 were systems audits; and 18,020 hours were dedicated to training internal auditors—this represents an average 140 hours per auditor each year.

Furthermore, the Internal Audit Area reviewed the Company's Management Reports and Annual Accounts for 2009, the reports that the company submits quarterly to the Spanish Securities Exchange Commission (CNMV), and the relevant financial information submitted to MAPFRE'S governing bodies. The Audit Committee is informed regularly of all these actions.

Technologies and procedures

throughout 2009 the implementation calendar continued for TRON21, the new integrated insurance management system, and it entered into production for Global Risks and Surety Bond Insurance, and there have been satisfactory advances in the tasks and tests programmed in order to ensure the future implementation of TRON21 in Credit and Health Insurance. This will allow all of the Group's Non-Life insurance business to be managed using a single, complete system.

This activity has been performed at the same time as other tasks were developed, including the following:

- Execution of full contingency tests at the Data Processing Centre in Ávila, safeguarding databases, applications, systems and the configuration of same.
- Migration from the back end TRON21 to a new platform that is more technologically evolved.
- Unification of the various call centres in a Corporate Telephone Centre with modern technology infrastructures.
- Advances in new developments for the Corporate Projects involving Issuance and Benefits for the Non-Life business, and start-up of the Evolucion Plan for the Life insurance business, with the goal of fostering a platform for the future in that business so as to eliminate the different environments and integrate the non-core Life insurance solutions within the corporate solutions of TRON21.
- Preparation and publication of an application measuring the availability of applications in real time, enabling an enhancement of their reliability.
- Provision of the technology required by IP telephony in order to deploy same in all of MAPFRE'S buildings and offices in Spain.
- Execution of ten new implementations of ERP SAP, taking the figure of installations handled by the Administration Processes Competence Centre to 69, one of the most important of these being the implementation in THE COMMERCE GROUP.



Prize awarded by Computer World for the application of technologies in business development



MAPFRE sponsors the Book Fair in Madrid



On the other hand, during 2009 there was a comprehensive management, with important economies of scale, of the acquisition of equipment and licences, and the rendering of services by communication operators and technology suppliers, with master agreements and global operators.

Safety and the environment

During 2009 measures continued to be developed in order to improve the Information Security level in all of the Group entities, both in Spain and abroad. A prominent breakthrough is the registration of customers through MAPFRE'S Internet Office by means of electronic signature devices; and the provision of means for the remote access to corporate reporting systems by employees, making available the action protocols in the event of contingencies.

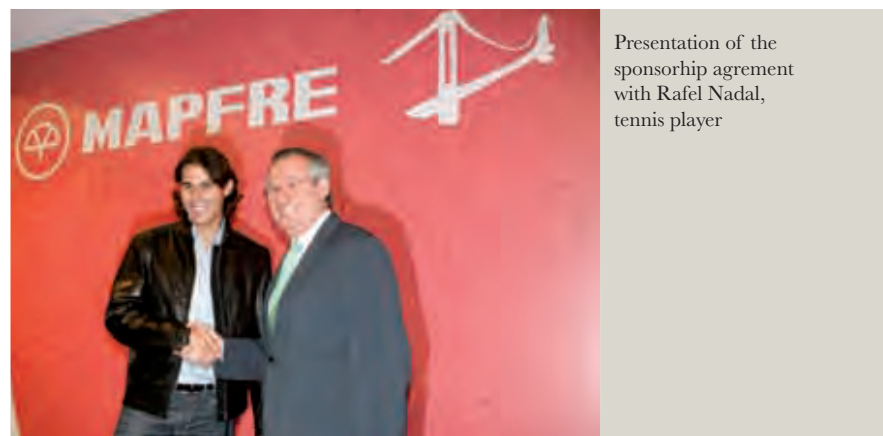
On the other hand, the General Control Centre has continued acting as a comprehensive security operating body, which is taking on the management of the users of all of the software applications in the various Group companies; the control and management of incidents in all of the Group's networks, offices and dependencies in Spain, which in 2009 have been connected to a proprietary Alarm Centre; and the maintenance of all of the fire protection systems. Advances also continued in the design and implementation of the new Corporate Business Continuity Form.

As far as Environmental Management is concerned, several initiatives have been carried out which are detailed in the Annual Report on Corporate Responsibility.

Communication, advertising and corporate image

Among the initiatives taken in 2009 to enhance and co-ordinate the Group's internal and external communications, the following are most worthy of note:

- 32 press conferences and 232 interviews were arranged with the Media, 395 press releases were issued, 1,443 information queries and 201 financial information questionnaires were answered, and 61 events were organized.
- Four editions and a separate special edition of MUNDO MAPFRE, the institutional magazine, were published, as were ten editions of RED MAPFRE, a magazine oriented to the Sales Network staff, which was relaunched with a new design and on a monthly basis in 2009.
- Posting of 477 major news items on the Internal Portal, revamped to allow the publication of up to four news items a day.
- Advertising activities continue focusing on sports sponsorship (Tennis, Sailing, Basketball, Gymnastics and Motorcycling), particularly for the tennis player Rafael Nadal, as a representative of the business values that are characteristics of MAPFRE (effort, international projection and good performance), using the slogan "MAPFRE no hay más que una" ["There's only one MAPFRE", a pun that is lost in translation], which was present in the media virtually throughout the whole year. The effects were borne out by the Brand Image Survey (Omnibus survey conducted by ICEA -1st wave 2009-), which reflected unaided awareness of the MAPFRE brand by 79% of the population, aided awareness of the brand by 98% of the population, and campaign recall by more than 77% of respondents; and by the permanent survey conducted by the IMOP, showing a 50%-plus increase in mentions of the MAPFRE brand, which not only tops the insurance industry in this regard, but also ranks among the top 50 most mentioned brands of all fields.



Presentation of the sponsorship agreement with Rafel Nadal, tennis player

The forecasts of major international bodies on the evolution of the world economy suggest that there will be a sizeable recovery of economic activity throughout the year 2010, although with substantial differences depending on the regions

► External audit

The Annual Accounts of the Company and main Group entities for 2009 were audited by Ernst & Young, with the main exception of the subsidiaries in Mexico, which were audited by Deloitte, and in El Salvador, audited by BDO.

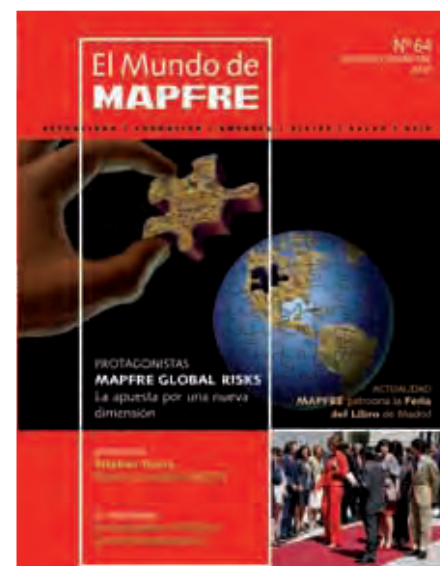
The External Auditors were paid €6,316,899 in 2009 for the services rendered in connection with the audit of the annual accounts and the limited audit of the consolidated Intermediate Financial Statements at 30th June, with the main auditor having received €5,968,409 of that amount. Furthermore, the main auditor received payments of €190,001 for services related with the audit of the annual accounts and of €735,469 for other complementary services. Neither of the latter two payments is deemed to compromise the independence of the auditors.

► Prospects

The forecasts of major international bodies on the evolution of the world economy suggest that there will be a sizeable recovery of economic activity throughout the year 2010, although with substantial differences depending on the regions; thus, whereas advanced economies are expected to have very low growth rates, the forecasts for emerging economies signal relatively strong growth rates. The recovery will foreseeably be accompanied by low inflation rates, considering the lack of dynamism of consumer demand in advanced economies and excess production capacity.

In any event, there is a great degree of uncertainty on the expected growth rates, because it is still hard to predict whether the individual economies will have the sufficient muscle to embark on growth patterns without stimulus programs; and on the other hand inflation rates could be affected by hikes in the prices of raw materials, given the high volatility of these figures in recent years.

Central banks, meanwhile, should return to orthodox policies insofar as the financial conditions of bank systems get back to normal, and they must also drain liquidity as the monetary multipliers return to normal levels; all of this will necessarily lead to a rise in short-term interest rates.



MAPFRE magazines

In this context, it seems likely that the strong growth recorded in bond and note markets last year will continue in forthcoming years, given the huge financing requirements of the public sector—this will undoubtedly exert pressure on medium and long-term interest rates; stock markets can be expected to develop in a mildly positive manner in 2010, although less expansive monetary conditions, the possible pressure on interest rates and uncertainties on the rate of recovery might have a negative bearing on prices.

Spain will escape from recession later and more slowly than the rest of the Eurozone, due to the particular characteristics of the Spanish economy and the slow adjustment of the construction sector. The unemployment rate will continue to rise in the coming months, leading to an increase of bad debts at financial institutions.

Domestic demand in Spain will remain weak, both among households, which are affected by high unemployment rates, and among businesses, which have excess capacity and do not need to carry out relevant investments.

In spite of this, MAPFRE'S governing bodies are confident that the Group will continue achieving positive growth rates and adequate returns for its business, taking the following factors into consideration:

a) The geographical diversification of our business, with over 50% taking place outside Spain—this will be reinforced this year thanks to the incorporation of the above-mentioned projects.

b) The strength of our distribution networks and of our insurance business management model, together with the growing capacity of integrating new distribution channels.

c) The consolidation of the utilisation of the synergies arising from then structural modifications we have carried out in recent years.

d) The continuation of the prudent and professional management of our investments.



▶ Other information

The following information, which refers to the financial year end, is included in the Management Report, pursuant to the provisions of section 116 bis of the Securities Markets Act:

- a) The share capital is represented by 2,922,709,779 fully subscribed and paid-in shares of a single class, each with a par value of €0.10. All the shares confer the same voting and dividend rights and are listed on the Madrid and Barcelona stock exchanges on the electronic market.
- b) There are no share transfer restrictions.
- c) The MAPFRE FOUNDATION indirectly owns 64.21% of the share capital of MAPFRE, S.A., which correspond to the direct shareholdings which are held by CARTERA MAPFRE S.L. (64.19%) and INSTITUTO TECNOLÓGICO DE SEGURIDAD MAPFRE S.A. (0.02%). These companies are fully controlled by the FOUNDATION.
- d) CAJA DE AHORROS Y MONTE DE PIEDAD DE MADRID (from herein referred to as CAJA MADRID) has an indirect shareholding of 14.95%, through the company CAJA MADRID CIBELES S.A., which it fully owns.
- e) There are no voting right restrictions.
- f) On 5th February 2008, CARTERA MAPFRE and CAJA MADRID signed a shareholders' agreement that will be deposited at the Companies Registrar and will be made public pursuant to current regulations.
- g) The rules applicable to the appointment and replacement of the Board members, in addition to the general rules stipulated in current regulations, are set forth in articles 14 and 16 of the Corporate Bylaws, in chapters II and III of the Code of Good Governance of MAPFRE and in articles 3 to 9 of the Regulations of the Board of Directors.

Regarding the amendment of the Corporate Bylaws, in addition to the rules in force in general, it must be stated that, pursuant to the provisions of article 25 of the Corporate Bylaws, the statutory provisions set forth under Title IV "Protection of the General Interest of the Company" (articles 25 to 30) may only be amended by a resolution of an Extraordinary General Meeting called for this purpose, approved with the votes in favour of more than fifty per cent of the share capital.

- h) The company's executive directors have been granted general powers of attorney in accordance with their managerial duties, these powers having been previously listed in the "List of Powers for General Powers of Attorney" approved by the Board of Directors and fully registered at the Madrid Mercantile Registry, where full detail of each of the representatives and their specific powers are also listed.

The individual members of the Board of Directors are not empowered to issue or buy back the company's shares.

- i) No formalized agreements exist that will enter into force, be modified or conclude in the event of a change of control of the company as a result of a takeover bid.
- j) No agreements exist between the company and its board members, management officials or employees that stipulate indemnities when the latter resign or if the employment relationship comes to an end as a result of a takeover bid. Compensation for unjustified dismissal is established by referral to article 56, 1, a) of the Workers' Statute.

1) Regarding the rules applicable to the appointment and replacement of the Board members, please refer to sections B.1.19 and B.1.20 of the Mapfre Annual Corporate Governance Report attached to this report.

▶ Annual corporate governance report

The Company's Annual Corporate Governance Report, issued pursuant to the provisions of section 49.4 of the Spanish Commercial Code, as reworded in Act 16/2007, follows.

A. Ownership structure

A.1 Fill in the following table on the company's share capital:

Date of latest change	Share capital (€)	Number of shares	Number of voting rights
10-12-2009	292,270,977.90	2,922,709,779	2,922,709,779

Indicate if there are different kinds of shares with different rights associated to them:

NO

A.2 State the direct and indirect owners of substantial holdings, of their entity as at the close of the financial year, excluding directors:

Name or company name of the shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of the total voting rights
FUNDACIÓN MAPFRE	0	1,876,712,138	64.211
CAJA DE AHORROS Y MONTE PIEDAD DE MADRID	0	436,786,123	14.945

Name or company name of the indirect holder of the shares	Through: Name or company name of the direct holder of the shares	Number of direct voting rights	% of the total voting rights
FUNDACIÓN MAPFRE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	1,876,095,589	64.190
CAJA DE AHORROS Y MONTE PIEDAD DE MADRID	CAJA MADRID CIBELES, S.A.	436,786,123	14.945

State any significant modifications in the shareholding structure during the financial year:

Name or company name of the shareholder	Date of the transaction	Transaction description
CAJA MADRID CIBELES, S.A.	21/04/2009	Has dropped below 15% of the share capital

A.3 Complete the following table about the members of the Board of Directors of the company who have voting rights on company shares:

Name of director (person or company)	Number of direct voting rights	Number of indirect voting rights (*)	% of the total voting rights
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	164,413	0	0.006
MR. ALBERTO MANZANO MARTOS	36,717	0	0.001
MR. FRANCISCO RUIZ RISUEÑO	73	0	0.000
MR. ALFONSO REBUELTA BADIÁS	44,346	0	0.002
MR. ANDRÉS JIMÉNEZ HERRADÓN	23,973	0	0.001
MR. ANTONIO HUERTAS MEJIAS	76,730	0	0.003
MR. ANTONIO MIGUEL ROMERO DE OLANO	29,377	2,172	0.001
MR. ESTEBAN TEJERA MONTALVO	23	0	0.000
MR. FILOMENO MIRA CANDELA	109,632	0	0.004
MRS. FRANCISCA MARTÍN TABERNO	23	0	0.000
MR. FRANCISCO VALLEJO VALLEJO	80,000	0	0.003
MR. IGNACIO BAEZA GÓMEZ	27,401	0	0.001
MR. JOSÉ ANTONIO MORAL SANTÍN	0	0	0.000
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	13,179	23	0.000
MR. LUIS ITURBE SANZ DE MADRID	32,884	0	0.001
MR. MANUEL JESÚS LAGARES CALVO	17,533	0	0.001
MR. MATÍAS SALVÁ BENNASAR	245,797	326,083	0.020
MR. MIGUEL BLESA DE LA PARRA	12,307	0	0.000
MR. RAFAEL BECA BORREGO	0	438,618	0.015
MR. RAFAEL FONTOIRA SURIS	23	0	0.000
MR. RAFAEL MÁRQUEZ OSORIO	0	0	0.000
MR. SANTIAGO GAYARRE BERMEJO	6,993	0	0.000
MR. SEBASTIÁN HOMET DUPRÁ	0	0	0.000
MR. JOSÉ MANUEL GONZÁLEZ PORRO	882,000	0	0.030

Name or company name of the indirect holder of the shares	Through: Name or company name of the direct holder of the shares	Number of direct voting rights	% of the total voting rights
MR. RAFAEL BECA BORREGO	BEBORSIL, S.L.	438,434	0.015
MR. MATÍAS SALVÁ BENNASAR	MUFTI, S.L.	164,413	0.006
MR. MATÍAS SALVÁ BENNASAR	MRS. ISABEL SALVÁ ROSELLÓ	53,433	0.002
MR. MATÍAS SALVÁ BENNASAR	MRS. MARGARITA ROSELLÓ BARBERÁ	54,804	0.002
MR. MATÍAS SALVÁ BENNASAR	MRS. MARTA SALVÁ ROSELLÓ	53,433	0.002
MR. RAFAEL BECA BORREGO	BECA INMOBILIARIA, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	CONSTRUCCIONES ALBORA, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	GRUPOBEKINSA, S.L.	23	0.000
MR. RAFAEL BECA BORREGO	LAGUNAS DEL PORTIL, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	LAS CERRAJAS, S.L.	23	0.000
MR. ANTONIO MIGUEL ROMERO DE OLANO	MRS. LUZ RUFAS MÁRQUEZ DE ACUÑA	2,172	0.000
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MRS. MERCEDES VARELA VILLAFRANCA	23	0.000
MR. RAFAEL BECA BORREGO	NUEVO QUINTO, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	PROMOCIONES B.4, S.A.	23	0.000
MR. RAFAEL BECA BORREGO	PROMOTORA SAN MIGUEL, S.L.	23	0.000
% total votes held by the Board of Directors		0.088	

Fill in the following tables with the members of the company's board of directors with voting rights on company shares:

A.4 Where applicable, list any family, trading, contractual or corporate relationships between holders of significant shareholdings, insofar as the company is aware of them, unless they are of little relevance or due to ordinary commercial traffic and exchange:

A.5 Where applicable, list any family, trading, contractual or corporate relationships between holders of significant shareholdings, and the company and/or its group, unless they are of little relevance or due to ordinary commercial traffic and exchange:

Type of relationship:

Contractual

Brief description:

STRATEGIC BUSINESS ALLIANCE BETWEEN CAJA MADRID AND MAPFRE, S.A.

Name or company name of related person

CAJA DE AHORROS Y MONTE PIEDAD DE MADRID

Type of relationship:

Corporate

Brief description:

CAJA MADRID CIBELES, S.A. OWNS SHARES IN THE FOLLOWING SUBSIDIARIES OF MAPFRE, S.A.: 10.35% IN MAPFRE AMERICA, S.A.; 12.5% IN MAPFRE INTERNACIONAL, S.A. AND 49% IN MAPFRE CAJA MADRID VIDA, S.A. AND A MAJORITY HOLDING IN BANCO DE SERVICIOS FINANCIEROS CAJA MADRID – MAPFRE, S.A., WHERE MAPFRE, S.A. OWNS A 48.97% INTEREST.

Name or company name of related person

CAJA MADRID CIBELES, S.A.

A.6 Indicate if any shareholder agreements have been disclosed to the company that affect it under art. 112 of the securities market act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

YES

% of share capital affected

15

Brief description of the agreement:

The aggregate shareholding of CAJA MADRID will not exceed 15%, nor will it be reduced below 3%. CAJA MADRID undertakes not to exercise the voting rights of any shares that, from time to time, might exceed 15% of the share capital, expressly waiving its right to do so.

Parties to the shareholders' agreement

CORPORACIÓN FINANCIERA CAJA DE MADRID, S.A.

CARTERA MAPFRE, S.A. SOCIEDAD UNIPERSONAL

Indicate whether the company knows the existence of concerted actions amongst its shareholders. If so, describe them briefly:

NO

If there has been any alteration or breakdown of said pacts or agreements or concerted actions, indicate this expressly.

A.7 Indicate whether any person or organisation exercises or may exercise control over the company pursuant to article 4 of the Stock-Exchange Act. If so, identify them:

YES

Name or company name

FUNDACIÓN MAPFRE

Remarks

A.8 Fill in the following tables regarding the company's treasury stock:

As at the closing date of the financial year:

Number of direct shares	Number of indirect shares (*)	% total % of the share capital
0	0	0.000

(*) Through:

Total	0
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List significant changes occurring during the year, pursuant to Royal Decree 1362/2007:

Capital gains (losses) on treasury stock divested during the period (thousand euros)	0
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A.9 Detail the terms and conditions of the current AGM authorisation to the board of directors to buy and/or transfer treasury stock.

The Board of Directors is currently authorised by the AGM so that the Company can proceed, directly or through subsidiaries, to the derivative acquisition of treasury shares, subject to the following limits and requirements:

- Modes: acquisition by sale, or by any other transaction inter vivos for good and valuable consideration, of shares free of any liens or encumbrances.
- Maximum number of shares to be acquired: shares whose face value, added to the face value of the shares already owned by the Company and its subsidiaries, does not exceed 5% of the share capital of MAPFRE, S.A.
- Minimum and maximum acquisition price: 90% and 110%, respectively, of their listed value on the acquisition date.
- Duration of the authorisation: eighteen months calculated from the date of the resolution, passed on 7th March 2009.

A.10 Indicate, where applicable, any legal or bylaw restriction on the exercise of voting rights, and legal restriction on the acquisition and/or transfer of shares in the company's capital: State whether there are any legal restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that a shareholder may exercise under the legal restriction	0
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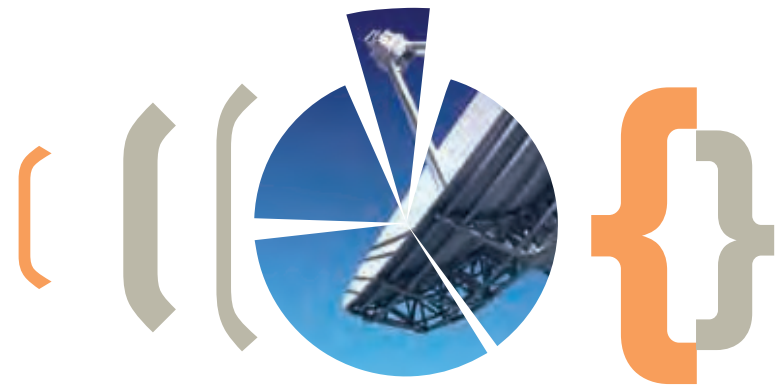
State whether there are any bylaw restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that a shareholder may exercise under the bylaw restriction	0
--	----------

Indicate whether there are legal restrictions on the acquisition or transfer of shares in the company's capital:

NO



A.11 Indicate whether the AGM has approved measures to neutralise a public takeover bid, pursuant to Act 6/2007.

NO

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

B. Governance structure

B.1 Board of Directors

B.1.1 List the maximum and minimum number of directors established in the bylaws:

Maximum number of directors	24
Minimum number of directors	5

B.1.2 Fill in the following table on the board members:

Name of director (person or company)	Representative	Post on the	Fecha primer nombramiento	Fecha último nombramiento	Procedimiento de elección
Board	Date of first appointment	Date of last appointment	Election procedure	26-03-2007	VOTE AT AGM
MR. ALBERTO MANZANO MARTOS		1ST VICE-CHAIRMAN	28-05-1987	26-03-2007	VOTE AT AGM
MR. FRANCISCO RUIZ RISUEÑO		2ND VICE-CHAIRMAN	12-03-2003	26-03-2007	VOTE AT AGM
MR. ALFONSO REBUERTA BADÍAS		DIRECTOR	17-04-1999	26-03-2007	VOTE AT AGM
MR. ANDRÉS JIMÉNEZ HERRADÓN		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. ANTONIO HUERTAS MEJÍAS		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. ANTONIO MIGUEL ROMERO DE OLANO		DIRECTOR	17-04-1999	26-03-2007	VOTE AT AGM
MR. ESTEBAN TEJERA MONTALVO		DIRECTOR	08-03-2008	08-03-2008	VOTE AT AGM
MR. FILOMENO MIRA CANDELA		DIRECTOR	27-06-1981	27-04-2006	VOTE AT AGM
MRS. FRANCISCA MARTÍN TABERNERO		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. FRANCISCO VALLEJO VALLEJO		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. IGNACIO BAEZA GÓMEZ		DIRECTOR	08-03-2008	08-03-2008	VOTE AT AGM
MR. JOSÉ ANTONIO MORAL SANTÍN		DIRECTOR	08-03-2008	08-03-2008	VOTE AT AGM
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ		DIRECTOR	17-04-1999	26-03-2007	VOTE AT AGM
MR. LUIS ITURBE SANZ DE MADRID		DIRECTOR	06-03-2004	08-03-2008	VOTE AT AGM
MR. MANUEL JESÚS LAGARES CALVO		DIRECTOR	17-04-1999	26-03-2007	VOTE AT AGM
MR. MATÍAS SALVÁ BENNASAR		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. MIGUEL BLESA DE LA PARRA		DIRECTOR	08-03-2008	08-03-2008	VOTE AT AGM
MR. RAFAEL BECA BORREGO		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. RAFAEL FONTOIRA SURIS		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. RAFAEL MÁRQUEZ OSORIO		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. SANTIAGO GAYARRE BERMEJO		DIRECTOR	12-05-1989	07-03-2009	VOTE AT AGM
MR. SEBASTIÁN HOMET DUPRÁ		DIRECTOR	29-12-2006	29-12-2006	VOTE AT AGM
MR. JOSÉ MANUEL GONZÁLEZ PORRO		DIRECTOR & SECRETARY	17-04-1999	26-03-2007	VOTE AT AGM
Total number of Directors					24



Indicate which directors have left their seat on the board during the period:

B.1.3 Fill in the following tables on the board members and their different kinds of directorship:

EXECUTIVE DIRECTORS

Name of director (person or company)	Committee proposing his/her name	Post within company organisation
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	APPOINTMENTS AND COMPENSATION COMMITTEE	CHAIRMAN
MR. ALBERTO MANZANO MARTOS	APPOINTMENTS AND COMPENSATION COMMITTEE	1ST VICE-CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	APPOINTMENTS AND COMPENSATION COMMITTEE	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	APPOINTMENTS AND COMPENSATION COMMITTEE	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	APPOINTMENTS AND COMPENSATION COMMITTEE	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	APPOINTMENTS AND COMPENSATION COMMITTEE	DIRECTOR
MR. JOSÉ MANUEL GONZÁLEZ PORRO	APPOINTMENTS AND COMPENSATION COMMITTEE	SECRETARY AND MEMBER
Total number of executive directors		7
% of total directors		29,167

EXTERNAL NOMINEE DIRECTORS

Name of director (person or company)	Committee proposing his/her name	Name or company name of the substantial shareholder represented or proposing his/her name
MR. FRANCISCO RUIZ RISUEÑO	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ALFONSO REBUERTA BADIÁS	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. ANTONIO MIGUEL ROMERO DE OLANO	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. FILOMENO MIRA CANDELA	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. JOSÉ ANTONIO MORAL SANTÍN	APPOINTMENTS AND COMPENSATION COMMITTEE	CAJA MADRID CIBELES, S.A.
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. MIGUEL BLESA DE LA PARRA	APPOINTMENTS AND COMPENSATION COMMITTEE	CAJA MADRID CIBELES, S.A.
MR. RAFAEL MÁRQUEZ OSORIO	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. SANTIAGO GAYARRE BERMEJO	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
MR. SEBASTIÁN HOMET DUPRÁ	APPOINTMENTS AND COMPENSATION COMMITTEE	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL
Total number of nominee directors		10
% of total directors		41.667

INDEPENDENT EXTERNAL DIRECTORS

Name of director (person or company)	Profile
MRS. FRANCISCA MARTÍN TABERNERO	VICE-RECTOR, CATHOLIC UNIVERSITY OF SALAMANCA. PROFESSOR OF STATISTICS. PH.D IN PSYCHOLOGY AND BA IN HISTORY
MR. FRANCISCO VALLEJO VALLEJO	BA IN ECONOMIC SCIENCE. DIPLOMA IN BUSINESS ORGANIZATION AND EXECUTIVE BUSINESS MANAGEMENT CHAIRMAN OF BANCO URQUIJO.
MR. LUIS ITURBE SANZ DE MADRID	B.A. IN LAW. DIRECTOR OF THE MADRID STOCK EXCHANGE UNTIL 2003. SENIOR EXECUTIVE AT BBVA UNTIL 2002.
MR. MANUEL JESÚS LAGARES CALVO	PH.D IN ECONOMIC SCIENCE. PROFESSOR OF PUBLIC FINANCE AND INLAND REVENUE INSPECTOR (ON LEAVE).
MR. MATÍAS SALVÁ BENNASAR	LAWYER. HEAD OF THE LEGAL DEPARTMENT OF MUTUA BALEAR (MUTUAL COMPANY) AND LEGAL COUNSEL TO PREVISIÓN BALEAR (MUTUAL COMPANY) AND ITS FOUNDATION UNTIL December 2009.
MR. RAFAEL BECA BORREGO	QUALIFIED ACCOUNTANT. CHAIRMAN OF DIFFERENT REAL ESTATE AND AGRICULTURAL DEVELOPMENT COMPANIES.
MR. RAFAEL FONTOIRA SURIS	ARCHITECT. HEAD ARCHITECT OF THE GALICIAN REGIONAL GOVERNMENT FOR 30 YEARS. MEMBER OF HISTORIC AND ARTISTIC HERITAGE BOARD.
Total number of independent directors	7
% of total directors	29.167

OTHER EXTERNAL DIRECTORS

Detail the reasons why they cannot be considered shareholder-nominated or independent directors and their affiliations with the company or its management or its shareholders:

Indicate any changes that may have occurred during the period in the type of directorship of each director:

Name of director (person or company)	Date of the change	Previous directorship	Current directorship
MR. FILOMENO MIRA CANDELA	01-01-2009	EXECUTIVE	NOMINEE

B.1.4 Explain, where applicable, the reasons why nominee directors have been appointed at the behest of the shareholder whose holding is less than 5% of the capital:

Indicate whether formal petitions for a seat on the board have been ignored from shareholders whose holding is equal to or higher than others at whose behest nominee directors were appointed. Where applicable, explain why these petitions have been ignored:

NO

B.1.5 Indicate if any director has stood down before the end of his/her term in office, if the director has explained his/her reasons to the board and through which channels, and if the director sent a letter of explanation to the entire board, explain below, at least the reasons that he/she gave:

NO

B.1.6 Indicate any powers delegated to the managing directors(s):

B.1.7 Identify any members of the board holding posts as directors or managers in other companies that form part of the listed company's group:

Name of director (person or company)	Name of the group's company	Post
MR. ALBERTO MANZANO MARTOS	MAPFRE INMUEBLES, S.A.	VICE-CHAIRMAN
MR. ALBERTO MANZANO MARTOS	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	CHAIRMAN
MR. FRANCISCO RUIZ RISUEÑO	CCM VIDA Y PENSIONES, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE FAMILIAR, S.A.	VICE-CHAIRMAN

Name of director (person or company)	Name of the group's company	Post
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR
MR. FRANCISCO RUIZ RISUEÑO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ALFONSO REBUelta BADIÁS	BANCO DE SERVICIOS FINANCIEROS CAJA MADRID – MAPFRE, S.A.	DIRECTOR
MR. ALFONSO REBUelta BADIÁS	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ALFONSO REBUelta BADIÁS	MAPFRE GLOBAL RISKS, S.A.	VICE-CHAIRMAN
MR. ALFONSO REBUelta BADIÁS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ALFONSO REBUelta BADIÁS	MAPFRE SEGUROS DE EMPRESAS, S.A.	VICE-CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE AMÉRICA, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE INTERNACIONAL, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	CHAIRMAN
MR. ANDRÉS JIMÉNEZ HERRADÓN	THE COMMERCE GROUP. INC	CHAIRMAN
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE FAMILIAR, S.A.	CHAIRMAN
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ASISTENCIA, CIA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	VICE-CHAIRMAN
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE INMUEBLES, S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE QUAVITAE, S.A.	DIRECTOR
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE ASISTENCIA, CIA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE CAUCIÓN Y CRÉDITO, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE GLOBAL RISKS, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
MR. ESTEBAN TEJERA MONTALVO	THE COMMERCE GROUP. INC	DIRECTOR
MR. FILOMENO MIRA CANDELA	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. FILOMENO MIRA CANDELA	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNEIRO	DUERO PENSIONES EGFP	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNEIRO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MRS. FRANCISCA MARTÍN TABERNEIRO	UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	DIRECTOR
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. FRANCISCO VALLEJO VALLEJO	MAPFRE SEGUROS DE EMPRESAS, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	BANKINTER SEGUROS DE VIDA, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	CCM VIDA Y PENSIONES, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	DUERO PENSIONES EGFP	VICE-CHAIRMAN – CHIEF EXECUTIVE OFFICER
MR. IGNACIO BAEZA GÓMEZ	MAPFRE CAJA MADRID VIDA, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INVERSIÓN DOS S.G.I.I.C., S.A.	DIRECTOR

Name of director (person or company)	Name of the group's company	Post
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	MUSINI VIDA, S.A.	CHAIRMAN
MR. IGNACIO BAEZA GÓMEZ	UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	VICE-CHAIRMAN – CHIEF EXECUTIVE OFFICER
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	VICE-CHAIRMAN
MR. MANUEL JESÚS LAGARES CALVO	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. MANUEL JESÚS LAGARES CALVO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE GLOBAL RISKS, S.A.	DIRECTOR
MR. MATÍAS SALVÁ BENNASAR	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	VICE-CHAIRMAN
MR. RAFAEL BECA BORREGO	MAPFRE AMÉRICA, S.A.	VICE-CHAIRMAN
MR. RAFAEL BECA BORREGO	MAPFRE FAMILIAR, S.A.	DIRECTOR
MR. RAFAEL FONTOIRA SURIS	MAPFRE INMUEBLES, S.A.	VICE-CHAIRMAN
MR. RAFAEL FONTOIRA SURIS	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. RAFAEL MÁRQUEZ OSORIO	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. SANTIAGO GAYARRE BERMEJO	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS	DIRECTOR
MR. SEBASTIÁN HOMET DUPRÁ	MAPFRE AMÉRICA, S.A.	DIRECTOR
MR. SEBASTIÁN HOMET DUPRÁ	MAPFRE INVERSIÓN, SOCIEDAD DE VALORES, S.A.	DIRECTOR
MR. JOSÉ MANUEL GONZÁLEZ PORRO	BANCO DE SERVICIOS FINANCIEROS CAJA MADRID – MAPFRE, S.A.	VICE-CHAIRMAN
MR. JOSÉ MANUEL GONZÁLEZ PORRO	MAPFRE INMUEBLES, S.A.	DIRECTOR

B.1.8 List, where applicable, any company directors that sit on boards of other companies publicly traded in Spain outside the group, of which the company has been informed:

Name of director (person or company)	Listed company's name	Post
MR. MIGUEL BLESA DE LA PARRA	FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.	DIRECTOR
MR. MIGUEL BLESA DE LA PARRA	IBERIA, LÍNEAS AÉREAS DE ESPAÑA, S.A.	VICE-CHAIRMAN

B.1.9 Indicate and, where applicable, explain whether the company has established rules on the number of boards on which its directors may sit:

YES

Explanation of the rules

According to the SISTEMA MAPFRE Code of Good Governance, no external director can sit at the same time on more than five Boards of Directors of the Group's Companies.

B.1.10 Regarding the recommendation no. 8 of the Unified Code, list the general strategies and policies in the company that the board reserves for plenary approval:

The investment and funding policy;	YES
The definition of how the Group companies are structured	YES
The corporate governance policy	YES
The corporate social responsibility policy	YES
The strategic or business plan and the annual management and budgetary targets	YES
The policy for senior managers' remuneration and performance assessment	YES
The policy for overseeing and managing risks, and the periodic monitoring of the internal information and oversight systems.	YES
The pay-out policy and the treasury-stock policy, especially their limits.	YES

B.1.11 Fill in the following tables on the aggregate remuneration of directors accruing during the year:

a) In the company covered in this report:

Remuneration item	Figures in €000's
Fixed remuneration	2,406
Variable remuneration	2,021
Per diem	688
Bylaw perquisites	0
Share and other financial options	161
Others	1,037
TOTAL	6,313

Other benefits	Figures in €000's
Advances	0
Loans granted	0
Funds and pension funds: Contributions	20
Funds and pension funds: Contractual obligations	0
Life insurance premiums	7,549
Guarantees constituted by the company for the directors	0

b) For company directors sitting on other boards of directors and/or belonging to the senior management of group companies:

Remuneration item	Figures in €000's
Fixed remuneration	976
Variable remuneration	892
Per diem	199
Bylaw perquisites	0
Share and other financial options	290
Others	1,077
TOTAL	3,434

Other benefits	Figures in €000's
Advances	0
Loans granted	0
Funds and pension funds: Contributions	17
Funds and pension funds: Contractual obligations	0
Life insurance premiums	1,964
Guarantees constituted by the company for the directors	0

c) Total remuneration by type of directorship:

Type of directorship	By company	By group
Executive	4,559	2,144
Nominee Directors	1,248	866
Independent External	506	424
Other External Directors	0	0
TOTAL	6,313	3,434

d) Regarding the attributable profit of the dominant company:

Total remuneration of all directors (€k)	9,747
Total remuneration all directors/attributable profit of dominant company (expressed as a %)	1.0

B.1.12 Identify the members of the senior management that are not in turn executive directors, and indicate total remuneration accruing to them during the year:

Name or company name	Post
MR. JOSÉ MANUEL MURIES NAVARRO	DIRECTOR GENERAL, INTERNAL AUDIT
MR. RICARDO BLANCO MARTÍNEZ	DIRECTOR GENERAL MAPFRE, S.A.

Total remuneration senior management (€k)	1,108
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B.1.13 Identify in aggregate terms whether there are ring-fence or guarantee clauses for cases of dismissal or changes of control in favour of the senior management, including executive directors, in the company or in its group. Indicate whether these contracts must be disclosed and/or approved by the company or group governance bodies:

Number of beneficiaries	9
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	Board of Directors	Annual General Meeting
Body authorising the clauses	YES	NO

Is the AGM informed of the clauses?	YES
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B.1.14 Indicate the process to establish remuneration of board members and the relevant bylaw clauses:

Process to establish remuneration of board members and the relevant bylaw clauses

The basic remuneration of external directors is approved by the Annual General Meeting following a proposal from the Board of Directors and a prior report from the Appointments and Remuneration Committee. The salary of executive directors and attendance allowances for external members of the Steering Committee and Delegated Committees and the fixed stipend for chairing Regional Boards are approved by the Board of Directors following a prior report from the said Committee.

In accordance with article 17 of the Articles of Association, Directors who do not perform executive functions in the Company or in Group companies (External Directors) will receive a fixed sum as their base remuneration, and it may be higher for individuals holding office on the Board itself or for those chairing the Steering Committee, the Executive Committee or the Board's Delegated Committees. This remuneration may be supplemented with other non-cash benefits (life or healthcare insurance, bonuses, etc.) generally provided to the company's personnel. The members of the Board who are members of the Steering Committee, the Executive Committee or the Board's Delegated Committees shall also receive a per diem allowance for attending the meetings.

The members of the Board of Directors who perform executive functions in the Company or in Group companies (Executive Directors) will receive the remuneration allocated to them for the performance of their executive functions (salaries, incentives, whether linked or otherwise to the Company's share price, supplementary bonuses, etc.) in accordance with the established policy for the remuneration of senior executives, according to the provisions of their respective contracts, which may also establish pertinent indemnity clauses in the event they are dismissed from such functions or their relationship with the Company is terminated. They will not receive the remuneration assigned to the External Directors, except for any remuneration assigned to the members of the Steering Committee, the Executive Committee or the Board's Delegate Committees, if it is resolved upon by the Board of Directors, which thus far has only done so in respect of members of the Steering Committee.

Independently of the remuneration referred to in the two preceding paragraphs, all Directors will be reimbursed any travelling, transport and related expenses that they incur in attending the Company's meetings or in carrying out their duties.

State whether the board, in plenary session, has reserved powers to approve the following resolutions:

At the proposal of the CEO, the appointment and possible severance of senior managers, and their compensation clauses.	YES
Directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include;	YES

B.1.15 Indicate whether the board of directors approves a detailed remuneration policy and explain on which issues it pronounces its opinion:

YES

Amount of the fixed components, with breakdown, where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this.	YES
Variable remuneration items.	YES
Main characteristics of the pension and annuity systems, with an estimate of their amount or equivalent annual cost.	YES
Conditions that the contracts of executive directors in senior management must respect.	YES

B.1.16 Indicate whether the Board of Directors submits an annual report on the directors pay policy to the AGM for consultation purposes. If so, explain the aspects of the report on the remuneration policy approved by the board for future years, the most significant changes in this policy compared to the policy applied during the year and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and if external advisors have been engaged, the identity of the consultants involved:

YES

Issues on which the board pronounces on remuneration policy

For 2010, increases of 0% are anticipated, with certain exceptions where a higher percentage has been applied due to an increase in responsibilities.

During financial year 2010 no significant changes are expected to be made to the Company's remuneration policy. For information on the remuneration policy applied in 2009, see sections B.1.11 and B.1.14 of this report.

For further information, see the Remuneration Policy report issued by the Board of Directors.

Role of the Remuneration Committee

The Appointments and Remuneration Committee fully supports the remuneration policy described herein and, as the case may be, it proposes or reports on each and every resolution resulting from said policy to the Board of Directors.

In particular, the Report is submitted to the Board's consideration to enable it to issue a favourable opinion or otherwise in respect of its contents.

Has external consultancy been used?

Identity of external consultants

B.1.17 Indicate, where applicable, the identity of board members who also sit on boards or form part of the management of companies that hold significant shareholdings in the listed company and/or in its group companies:

Name of director (person or company)	Company name of the substantial shareholder	Post
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	CHAIRMAN
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CAJA MADRID CIBELES, S.A.	DIRECTOR
MR. ALBERTO MANZANO MARTOS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. ANDRÉS JIMÉNEZ HERRADÓN	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR
MR. JOSÉ ANTONIO MORAL SANTÍN	CAJA MADRID CIBELES, S.A.	DIRECTOR
MR. MIGUEL BLESA DE LA PARRA	CAJA MADRID CIBELES, S.A.	CHAIRMAN
MR. JOSÉ MANUEL GONZÁLEZ PORRO	CARTERA MAPFRE, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR AND SECRETARY

List the relevant affiliations other than those considered in the above paragraph, that link board members to significant shareholders and/or companies in their group:

B.1.18 Indicate whether during the year there has been any change in the board regulations:

NO

B.1.19 Indicate procedures for appointment, re-election, evaluation and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

Anyone who is offered a directorship of MAPFRE, S.A. or of a subsidiary company must make a true and full Prior Declaration about his/her/its pertinent personal, family, professional and business details, particular regarding any matter that might give rise to any disqualification at law, the bylaws or the provisions of the Code of Good Governance or to any conflict of interest. This Declaration must be made on the form provided for such purposes by MAPFRE, and will include an express acceptance of the rules set out in the chapter of the Code that addresses directors' rights and duties.

Anyone who holds office as director must have a renowned prestige in his/her professional and business area, and hold all necessary professional qualifications or experience as provided at law for financial institutions or insurance companies subject to supervision by Public Authorities.

In particular, anyone who has a substantial shareholding in an organisation belonging to a financial group other than that to which the Company or any of its subsidiaries belong



cannot be a member of the Board of Directors and whoever is a director, manager or employee of such organisation or who renders services to or on behalf of the same cannot be a member of the Board of Directors either, unless they are appointed on a proposal made by the Board of Directors and provided that on the whole such directors do not represent more than twenty percent of the total number of directors.

— Proposals for the appointment or re-election of Independent Directors must be preceded by a proposal from the Appointments and Remuneration Committee.

Proposals for the re-election of independent directors will be subject to a process that will necessarily include a report issued by the Appointments and Remuneration Committee, assessing the quality of the services provided and the dedication to office throughout the prior term of the director/s whose re-election is/are proposed.

— Proposals for the appointment or re-election of nominee directors must be preceded by an appropriate proposal from the shareholder backing their appointment or re-election, and a report from the Appointments and Remuneration Committee with respect to the suitability of the proposed candidate.

— The Appointments and Committee Remuneration may also propose the appointment or of nominee directors at its own initiative when it deems that the Company will benefit from their being members of the Board.

— Proposals for the appointment or re-election of Executive Directors, and for the appointment or the Secretary, must be preceded by a suitable proposal from the Chairman of the Board — or the senior executive officer — and a report from the Appointments and Remuneration Committee.

In the case of the re-election of a director who holds office on the Board, the said report will include an assessment of how said office has been discharged to enable the Board to express an opinion about the director continuing in office.

The Board of Directors will not propose to the AGM that any independent director be removed from office before the end of the term for which the director has been elected, unless the Board considers, after a report from the Appointments and Remuneration Committee, that there are grounds for doing so. In particular, it will be deemed that there are grounds for doing so when:

— The director has failed to perform the duties inherent to the post, has failed to comply with one of the requirements set forth for independent directors in the Unified Code of the Spanish Securities and Exchange Commission, or has incurred an insuperable of conflict of interest according to the provisions of Title IV of the Code of Good Governance.

— Changes occur in the Company's shareholding structure that involve reducing the number of independent directors, in accordance with the criteria set forth in the Code of Good Governance.

B.1.20 Indicate the circumstances under which directors are obliged to resign.

According to the provisions of the corporate Bylaws and the Board Regulations, all members of the Board of Directors must retire on reaching the age of 70. The Chairman and the Vice-Chairmen who hold executive posts, the Managing Director and the Secretary to the Board must retire from such office on reaching 65 years of age or, on any earlier date according to the terms and conditions of their respective contract, but they may continue as director and member without any executive authority for a maximum of five years in the same conditions as external nominee directors.

All Directors must place their directorship and any office held, such as on the Steering Committee and any Delegated Committees, at the disposal of the Board of Directors and tender their formal resignation should the Board deem it pertinent, in the following cases:

- a) Whenever they cease to hold the executive office associated with their appointment as member of such governing bodies.
- b) Should they become subject to any disqualification or prohibition laid down at law.
- c) If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- d) If they receive any serious warning from the Compliance Committee due to any infringement of their duties as director.
- e) When they are affected by circumstances in which their remaining on any such management bodies might cause damage to the Company's credit or reputation, or place its interests at risk.
- f) If the reasons (if any expressly exist) for which they were appointed cease to apply.

The resignation from such offices must be formally tendered in a dated letter addressed to the Chairman of the Board in question, and a copy must be sent to the Chairman of the SISTEMA MAPFRE.

Directors who, at the time of their appointment, do not hold any executive post or perform any executive duties in the Company, or in another Group company, will not be able to perform any executives duties unless they first resign their directorship, even though they may subsequently remain eligible to the directorship.

Nominee directors must also tender their resignation when the shareholder that appointed them sells its shareholding.

When a shareholder reduces its shareholding, a proportionally equivalent number of nominee directors that it has appointed must resign.

MAPFRE's independent directors must also tender their resignation when they have held office for twelve years in a row.

B.1.21 Explain whether the role of chief executive officer in the company is played by the chairman of the board. If so, indicate the measures taken to limit the risks of accumulating powers in a single person:

YES

Measures to limit risks

It is considered that there is no measure of risk due to any excessive concentration of authority in view of the collegiate nature of decision-making that commences at Board Committee level; and the presence of senior executive officers on the Board of Directors.

Indicate and, where applicable explain whether rules have been established to empower one of the independent directors to request a board meeting be called or new business included on the agenda, to coordinate and give voice to the concerns of external directors and to direct the assessment by the Board of Directors.

NO

B.1.22 Are reinforced majorities required, other than the legal majorities, for any type of resolution?:

YES

Indicate how resolutions are adopted in the board of directors, giving at least the minimum quorum for attendance and the type of majorities required to adopt resolutions:

Description of resolution	
The transfer of shares in subsidiary companies, if this involves the loss of status as majority shareholder or direct or indirect control over them.	
Quórum	%
There are no specific bylaw requirements regarding the quorum for this resolution, but the favourable vote of three quarters of the members of the Board is required and therefore this minimum quorum of attendance is required.	75.00
Type of majority	%
Favourable vote of three quarters of the members of the Board of Directors.	75.00

B.1.23 Explain whether there are specific requirements, other than those regarding directors, to be appointed chairman.

NO

B.1.24 Indicate whether the chairman has a casting vote:

YES

Circumstances requiring a casting vote	
The Chairman has a casting vote in the event of a tie.	

B.1.25 Indicate whether the bylaws or the board regulations establish any age limit for directors:

YES

Age limit for chairman	70	Age limit for managing director	65	Age limit for director	70
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B.1.26 Indicate whether the bylaws or the board regulations establish any limit for independent directors' term of office:

YES

Maximum number of years in office	12
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B.1.27 If there are few or no female directors, explain the reasons and the initiatives adopted to correct the situation.

Explanation of reasons and initiatives	
The SISTEMA MAPFRE Code of Good Governance and the Board Regulations expressly state that when the Appointments and Remuneration Committee puts forward its proposals, it must ensure that it takes into consideration candidates of both sexes who meet the requirements for the vacancy, and that the selection procedure is not marred by implicit biases that may hinder the selection of people of sex or another.	

In particular, indicate whether the Appointments & Remuneration committee has established procedures for selecting female directors, and deliberately seeks entrants meeting the required profile:

YES

Describe the main procedures	
The Appointments and Remuneration Committee must ensure that it takes into consideration candidates of both sexes who meet the requirements for the vacancy.	

B.1.28 Indicate whether there are formal processes for delegating votes on the board of directors. If so, describe them briefly.

There are no formal procedures for delegating votes on the board of directors.

B.1.29 Indicate the number of meetings the board of directors has held during the year. Where applicable, indicate how many times the board has met without the chairman in attendance:

Number of board meetings	7
Number of board meetings not attended by the chairman	0

Indicate the number of meetings the board's different committees have held during the year.

Number of Executive or Delegated Committee meetings	12
Number of Audit Committee meetings	6
Number of Appointments & Remuneration committee meetings	5
Number of Appointments committee meetings	0
Number of Remuneration committee meetings	0

B.1.30 Indicate the number of meetings the board of directors has held during the year without the attendance of all its members. In calculating this number, non-attendance shall mean proxies given without specific instructions:

Number of non-attendances by directors during the year	4
% of number of non-attendances to total votes during the year	2.380

B.1.31 Indicate whether the individual and consolidated financial statements presented to the board's approval are certified beforehand:

YES

Where applicable, identify the person(s) who has(have) certified the individual and consolidated financial statements to be filed by the board:

Name	Post
MR. ESTEBAN TEJERA MONTALVO	DIRECTOR - DIRECTOR GENERAL
MR. JOSÉ MANUEL MURIES NAVARRO	DIRECTOR GENERAL OF INTERNAL AUDIT
MR. CARLOS BARAHONA TORRIJOS	CHIEF FINANCIAL OFFICER

B.1.32 Explain the mechanisms, if any, established by the board of directors to prevent the individual and consolidated financial statements that it files from being presented to the AGM with a qualified auditor's report.

The company has never issued financial statements with a qualified auditors' report.

The company has Internal Audit and Legal Affairs Departments that oversee all aspects of the annual accounts, and the MAPFRE Audit Committee, which is a Board committee that was set up for this purpose and with supervisory powers in the financial year 2000.

According to the MAPFRE Code of Good Governance, the Board of Directors must do everything possible to issue the financial statements with an unqualified auditor's report. However, should the Board deem it pertinent to uphold its opinion, it must publicly explain the content and scope of any discrepancy.

B.1.33 Is the company secretary a director?

YES

B.1.34 Explain the appointment and severance procedures for the secretary of the board, indicating whether his/her appointment and severance have been reported to the Appointments committee and approved by the board in a plenary meeting.

Appointment and severance procedure

According to Article 15 of the Bylaws and article 2 of the Board Regulations, the Board of Directors is responsible for appointing and removing the Secretary, following a report from the Appointments and Remuneration Committee.

Does the Appointment committee have a say in his/her appointment?	YES
Does the Appointment committee have a say in his/her severance?	YES
Does the board approve the appointment?	YES
Does the board approve the severance?	YES

Does the secretary of the board have the duty to take special care in overseeing good governance recommendations?

YES

B.1.35 Indicate what mechanisms the company has established, if any, to preserve the independence of the auditor, the financial analysts, the investment banks and the rating agencies.

In addition to abiding by statutory provisions, the company has decided to voluntarily propose compliance with a number of general guidelines that clearly and precisely aim to achieve and uphold the necessary independence of the external auditors in such regard as is advocated by the MAPFRE Code of Good Governance that lays down the following criteria for the Boards of Directors in their relationship with external auditors:

- The relationship of the Board of Directors with the Company's External Auditors will be maintained through the Audit Committee.
- The Board of Directors will refrain from hiring any auditing firms that are paid or will be paid annual fees by the MAPFRE Group that, for all items, exceed 5% of their total revenues.
- In the annual public documents, the Board will report the overall fees paid by the Company and its consolidated Group to the audit firm for any services rendered other than auditing services.

Apart from the Audit Committee's powers and duties as specified in the bylaws and the Board Regulations, the Audit Committee will be informed at least once every six months of all services rendered by the external auditor and their corresponding fees.

Every year, the Audit Committee will assess the Accounts Auditor, the scope of the audit and the external auditor's independence, considering whether the quality of the audit control measures is adequate and any services other than accounts audit services are compatible with the auditor's independence.

In accordance with the provisions of the Internal Code of Conduct regarding listed securities issued by the Company which sets out the procedures relating to the publication of relevant information, financial analysts will not be provided with any information that is not available to the public at large.

B.1.36 Indicate whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

NO

Outgoing auditor	Incoming auditor
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If there were disagreements with the outgoing auditor, explain their grounds.

NO

B.1.37 Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage of such fees in the total fees charged to the company and/or its group:

YES

	Company	Group	Total
Amount for work other than audit (€k)	107	818	925
Amount of work other than audit / total amount billed by the audit firm (%)	13.708	13.388	13.420

B.1.38 Indicate whether the audit report on the annual financial statements for the previous year contained reservations or qualifications. If so, indicate the reasons given by the chairman of the Audit committee to explain the content and scope of such reservations or qualifications.

NO

B.1.39 Indicate the number of years during which the current audit firm has been doing the audit of the financial statements for the company and/or its group without interruption. Indicate the percentage of the number of years audited by the current auditing firm to the total number of years in which the annual financial statements have been audited:

	Company	Group
Number of years running	20	20
Number of years audited by current audit firm / number of years the company has been audited (%)	100.000	100.000

B.1.40 Indicate the holdings of the company's board members in the capital of institutions that have the same, an equivalent or a supplementary kind of activity to that of the corporate object of the company and its group, that have been communicated to the company. Indicate the posts or duties they exercise in these institutions:

Name of director (person or company)	Name of institution	% interest	Post or duties
MR. ALBERTO MANZANO MARTOS	ACS	0.000	-
MR. ALBERTO MANZANO MARTOS	ALLIANZ	0.000	-
MR. ALBERTO MANZANO MARTOS	BNP PARIBAS	0.000	-
MR. ALBERTO MANZANO MARTOS	BANCO ESPAÑOL DE CRÉDITO	0.000	-
MR. ALBERTO MANZANO MARTOS	BBVA	0.000	-
MR. ALBERTO MANZANO MARTOS	BSCH	0.000	-
MR. ANTONIO MIGUEL-ROMERO OLANO	BSCH	0.000	-
MR. ANTONIO MIGUEL-ROMERO OLANO	BBVA	0.000	-
MR. FRANCISCO VALLEJO VALLEJO	BANCO URQUIJO, S.A.	0.000	CHAIRMAN
MR. FRANCISCO VALLEJO VALLEJO	COMPAÑÍA ESPAÑOLA DE SEGUROS DE CRÉDITO A LA EXPORTACIÓN (CESCE)	0.000	DIRECTOR

B.1.41 Indicate and, where applicable, give details on the existence of a procedure for directors to get external advisory services:

YES

Details of the procedure

According to the provisions of the MAPFRE Code of Good Governance, and for the purpose of assisting them in the exercise of their office, external directors may, at the cost of the company, request the hire of legal, accounting, finance consultants or other experts. Any such engagement of experts must necessarily be related to specific problems of some import and complexity that arise during the exercise of the office as director.

A decision to engage an expert must be notified to the Chairman of the Company and it may be vetoed by the Board of Directors, provided such the following is shown:

- That it is not necessary for the reasonable exercise of the duties entrusted to the directors.
- That the cost is unreasonable bearing in mind the importance of the problem and the company's assets and revenues..
- That the technical assistance sought may be adequately provided by experts and technicians already employed by the Company.

B.1.42 Indicate and, where applicable, give details on the existence of a procedure for directors to get the information they need to prepare the meetings of the governing bodies in sufficient time:

YES

Details of the procedure

All documents must in general be sent at least three full days in advance. In particular, when documents are sent for delivery on a Friday or on the eve of a bank holiday, it must be ensured that they are delivered in the morning of the said day no later than 12:00 noon.

This aspect is specifically analysed by the Board of Directors at its annual self-assessment session, based on the report received from the Compliance Committee, which is also entrusted with monitoring the effectiveness of the procedure organised.

B.1.43 Indicate and, where applicable give details, whether the company has established rules obliging directors to inform and, where applicable, resign under circumstances that may undermine the company's credit and reputation:

YES

Explain the rules

Directors must place their office/s at the disposal of the Board of Directors, both as director and any office they hold on any Committee thereof, and formalise any resignation should the Board deem it necessary, in the following cases:

- When they cease to hold executive office associated with their appointment as a member of said management bodies.
- Should they become subject to any disqualification or prohibition laid down at law.
- If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- If they receive any serious warning from the Compliance Committee due to any infringement of their duties as director.
- When they are affected by circumstances in which their remaining on any such management bodies might cause damage to the Company's credit or reputation, or place its interests at risk.
- If the reasons, if any, for which they were expressly appointed cease to apply.

B.1.44 Indicate whether any board member has informed the company of being sued or having any court proceedings opened against him or her for any of the offences listed in article 124 of the Companies Act:

NO

Indicate whether the board of directors has analysed the case. If so, explain the grounds for the decision reached as to whether or not the director should remain on the board.

NO

Decision taken

Should remain / Should not remain

Reasoned explanation

B.2 Board of Directors' Committees

B.2.1 List all the Board of Directors' committees and their members:

EXECUTIVE OR STEERING COMMITTEE

Name	Post	Types
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CHAIRMAN	EXECUTIVE
MR. ALBERTO MANZANO MARTOS	1ST VICE-CHAIRMAN	EXECUTIVE
MR. FRANCISCO RUIZ RISUEÑO	2ND VICE-CHAIRMAN	NOMINEE
MR. ANDRÉS JIMÉNEZ HERRADÓN	MEMBER	EXECUTIVE
MR. ANTONIO HUERTAS MEJÍAS	MEMBER	EXECUTIVE
MR. ESTEBAN TEJERA MONTALVO	MEMBER	EXECUTIVE
MR. IGNACIO BAEZA GÓMEZ	MEMBER	EXECUTIVE
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	NOMINEE
MR. JOSÉ MANUEL GONZÁLEZ PORRO	SECRETARY-MEMBER	EXECUTIVE

AUDIT COMMITTEE

Name	Post	Types
MR. LUIS ITURBE SANZ DE MADRID	CHAIRMAN	INDEPENDENT
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	NOMINEE
MR. MANUEL JESÚS LAGARES CALVO	MEMBER	INDEPENDENT
MR. RAFAEL BECA BORREGO	MEMBER	INDEPENDENT
MR. SEBASTIÁN HOMET DUPRÁ	MEMBER	NOMINEE
MR. JOSÉ MANUEL GONZÁLEZ PORRO	SECRETARY-MEMBER	EXECUTIVE

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Post	Types
MR. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CHAIRMAN	EXECUTIVE
MR. ALBERTO MANZANO MARTOS	1ST VICE-CHAIRMAN	EXECUTIVE
MR. FRANCISCO RUIZ RISUEÑO	2ND VICE-CHAIRMAN	NOMINEE
MR. ALFONSO REBUELTA BADIÁS	MEMBER	NOMINEE
MR. FRANCISCO VALLEJO VALLEJO	MEMBER	INDEPENDENT
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	NOMINEE
MR. MATÍAS SALVÁ BENNASAR	MEMBER	INDEPENDENT

COMPLIANCE COMMITTEE

Name	Post	Types
MR. FRANCISCO RUIZ RISUEÑO	CHAIRMAN	NOMINEE
MRS. FRANCISCA MARTÍN TABERNERO	MEMBER	INDEPENDENT
MR. RAFAEL FONTOIRA SURIS	MEMBER	INDEPENDENT
MR. RAFAEL MÁRQUEZ OSORIO	MEMBER	NOMINEE

B.2.2 Mark with a cross the duties assigned to the Auditing Committee:

To supervise the process of drawing up the financial information and its integrity for the Company and its Group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.	YES
To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.	YES
To ensure the independence and efficacy of the internal audit. To propose the selection, appointment, re-election and severance of the internal audit officer. To propose the budget for the internal audit service. To receive periodic information on their activities; And to check that the senior management takes the conclusions and recommendations of their reports into account.	YES
To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities they notice within the Company that may be of potential importance, especially financial and accounting irregularities.	YES
To put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.	YES
To receive regular information from the external auditor on the auditor's office plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.	YES
To ensure the independence of the external auditor	YES
In the Group, to help the Group auditor take responsibility for the auditing of the companies comprising it.	YES

B.2.3 Give a description of the rules governing the organisation and running of each of the board committees and the responsibilities attributed to each.

Name of Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

The Committee is a delegated body of the Board of Directors, responsible for the coordinated development of the appointment and remuneration policy of Senior Representative and Management Officers of MAPFRE, even though these powers are attributed by law and the bylaws to the Company's representative and management bodies.

The Appointments and Remuneration Committee has a maximum of seven members, most of whom are non-executive directors.

Name of Committee

EXECUTIVE OR STEERING COMMITTEE

Brief description

The Committee is a delegated body of the Board of Directors, responsible for the senior management and permanent oversight of the strategic and operational aspects of the company's and its subsidiaries' ordinary business affairs. It also makes any decisions necessary to operate properly, all subject to the powers the Board delegates to it from time to time.

The Committee will have a maximum of twelve members, all of whom are members of the Board of Directors. Its Chairman, First and Second Vice-Chairmen and Secretary will automatically be the people who hold such posts on the Board, which will appoint the members, up to a maximum of twelve members. It may also appoint a Vice-Secretary, who will not be entitled to vote.

Name of Committee

AUDIT COMMITTEE

Brief description

The Audit Committee has a minimum of three and a maximum of seven members, who will be appointed by the Board in view of the knowledge, skills and experience of its directors, especially with regard to accounting, audit and risk management issues. The majority of the members, including the Chairman, will be non-executive directors. The Secretary of this Committee will be the Secretary to the Board of Directors. This Committee shall have the following powers:

- To verify that the Annual Accounts, and the half-yearly and quarterly financial statements and other financial information that must be filed with regulatory or supervisory bodies are true, complete and sufficient; that they have been issued according to the accounting rules and criteria in force internally as laid down by the MAPFRE General Secretariat, and that they are provided on time and with the correct content.
- To submit proposals to the Board of Directors for submission to the Annual General Meeting regarding the appointment of an External Auditor for the company, and to be given information on his conduct in office and about any matter or circumstance that might affect his/her independence..
- To supervise the functioning of the Internal Auditing Department, for which purpose it may have unrestricted access to its plans, work results and to follow-up recommendations and suggestions from external and internal auditors.
- To be acquainted with the company's financial information and internal control process, and to make any observations or recommendations it may deem pertinent for the purposes of improving it..
- To inform the Shareholders in General Meeting about any matter that falls within its jurisdiction.
- To issue an annual report on its duties and the activities performed during the financial year, for submission to the Annual General Meeting.

Name of Committee

COMPLIANCE COMMITTEE

Brief description

This is the Board Committee responsible for overseeing the correct application of the code of good governance that must rule in the company. These duties are performed without prejudice to any legal and bylaw powers attributed to the company's representation and management bodies.

The Committee monitors the application of the code of good governance in force from time to time and it may, if pertinent, propose any measures to improve the same and to update them, whenever necessary.

The Compliance Committee has four members, all of whom are non-executive directors. Its Chairman will automatically be the 2nd Vice-Chairman of the Board of Directors.

The Committee may appoint a Minutes Secretary who will be elected from the members of the MAPFRE Legal Department Head Office.

B.2.4 Indicate the powers of advice, queries and, where applicable, proxies for each of the commissions:

Name of Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

Coordinated development of the appointment and remuneration policy applicable to senior management and representative officers

Name of Committee

COMISIÓN EJECUTIVA O DELEGADA

Brief description

Coordination and supervision of strategic and operational aspects of the ordinary business affairs of the company and its subsidiaries

Name of Committee

AUDIT COMMITTEE

Brief description

Verify financial information, proposal to appoint external auditor and supervision of internal audit

Name of Committee

COMPLIANCE COMMITTEE

Brief description

Supervision of the correct application of the code of good governance in force in the company

B.2.5 Indicate, where applicable, the existence of regulations for the board committees, where they can be consulted and any amendments made to them during the year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

Name of Committee

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

Provided for in the Bylaws and regulated in the Board Regulations.

They are available on the company's website, www.mapfre.com, in the public records of the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

Since 2008, the company publishes an annual report on its remuneration policy, which is put to the vote, on a consultative basis and as a separate point on the agenda, at the AGM.

Name of Committee

EXECUTIVE OR STEERING COMMITTEE

Brief description

Regulated in the bylaws and in the Board Regulations.

They are available on the company's website, www.mapfre.com, in the public records at the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.**Name of Committee**

AUDIT COMMITTEE

Brief description

Regulated in the bylaws and in the Board Regulations.

They are available on the company's website, www.mapfre.com, in the public records at the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

Four years ago, the Audit Committee began publishing an annual report on its activities, which is made available to shareholders at the AGM.

Name of Committee

COMPLIANCE COMMITTEE

Brief description

Provided for in the Bylaws and regulated in the Board Regulations.

They are available on the company's website, www.mapfre.com, in the public records at the Spanish Securities Exchange Commission (CNMV), and at the Madrid Companies Registry.

B.2.6 Indicate whether the composition of the executive committee reflects the participation on the board of different directors as a function of their condition:

NO

If not, explain the composition of the executive committee

The Steering Committee is an executive management body, and therefore consists of executive directors (majority) and external nominee directors.

C. Related-party transactions

C.1 State whether the Board in full session has reserved the right to approve, following the favourable report of the Audit Committee or any other committee to which the said function has been assigned, any transaction carried out by the company with directors, with substantial shareholders or shareholders represented on the Board, or with persons related thereto:

YES

C.2 List the relevant transactions entailing a transfer of resources or obligations between the company or its group companies, and the company's significant shareholders:

C.3 List the relevant transactions entailing a transfer of resources or obligations between the company or its group companies, and the company's directors and/or senior managers:

C.4 List the relevant transactions in which the company has engaged with other companies belonging to the same group, except those that are eliminated in the process of drawing up the consolidated financial statements and that do not form part of the company's habitual traffic with respect to its object and conditions:

C.5 Indicate whether the board members have come across any situation of conflicting interests during the year, as defined under article 127 of the Companies Act.

NO

C.6 List the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, managers and/or significant shareholders.

All directors and managers must make a Prior Declaration at the time of their appointment with regard to these matters. Furthermore, they are required to update this Declaration on a regular basis, and whenever a potential situation of conflict arises.

Likewise, the MAPFRE Code of Good Governance and the Internal Code of Conduct regulates the special duties within the scope of potential conflicts of interest.

The final decision on these matters is reserved to the Board of Directors, after examination by the company's Appointments and Remuneration Committee or the MAPFRE Institutional Control Committee. There is a special procedure for the approval of resolutions with regard to matters where there is a potential conflict of interest with a board member. The board member in question must refrain from attending or participating in these decisions.

C.7 Are more than one of the group's companies listed in Spain as publicly traded companies?

NO

Identify listed subsidiaries:



D. Systems of risk control

D.1 Give a general description of risk policy in the company and/or its group, listing and evaluating the risks dealt with by the system, along with an explanation of how far these systems match the profile of each type of risk.

RISK MANAGEMENT GOALS, POLICIES, AND PROCESSES

MAPFRE has a Risk Management System (RMS) based on the integrated management of each and every one of the business processes, and on the tailoring of the risk level to the established strategic objectives. The different types of risk have been grouped into four areas or categories as is set forth below:

- Operational risks: this covers twenty-three types of risks grouped into the following risk areas: actuarial, legal, technology, staff, associates, procedures, information, fraud, market, and material assets.
- Financial risks: includes interest-rate, liquidity, exchange-rate, market and credit risks.
- Insurance activity risks: this groups together, separately for Life and Non-Life, the risks of premium shortfalls, the sufficiency of technical provisions, and re-insurance risk.
- Strategic and corporate governance risks: includes corporate ethics and good corporate governance risks, organisational structure risks, alliance risks, mergers and acquisitions risks, risks arising from the regulated environment, and finally, market and competition risks.

CENTRALISATION OF THE RISK MANAGEMENT SYSTEM

The structure of MAPFRE is based on Operational Divisions and Units with a high level of autonomy in their management. The governing and management bodies of the Group approve the lines of activity of the Units and Companies with regard to risk management, and supervise their exposure to risks on a permanent basis by way of indicators and ratios. Furthermore, there are general procedure instructions in order to mitigate the said exposure, such as maximum levels of investments in equities, or the credit rating of re-insurers.

The Economic and Management Control Area, through the Risks Management, co-ordinates the activities relating to the quantification of risks, and in particular, the implementation of proprietary economic capital models at the operational units with the aim of complying with the future Solvency II requirements.

The Operational Units have a Risk Co-ordinator, reporting to the Administration Management, who implements the risk policies and management in each unit. The Risk Quantification Model activities are co-ordinated by a Risks and Solvency II Committee. The degree of progress of the projects and other significant aspects are reported to MAPFRE Senior Management through the said Committee and the Audit Committee.

Broadly speaking, decisions regarding the subscription of insurable risks and re-insurance coverage are highly de-centralised at the Units. Operational Risk-related issues are handled centrally although responsibility for their implementation and monitoring is delegated to the Units. The management of Strategic and Corporate Governance risks is highly centralised. Financial risks are managed centrally through the Group's Investments Directorate-General.

ESTIMATION OF RISKS AND CAPITAL

MAPFRE has an internal capitalisation and dividend policy that is designed to provide the Units with the capital necessary to cover the risks that have been assumed, all in a rational and objective way. Risks are estimated by way of a standard model of set factors which quantifies financial risks, credit risks, and insurance-activity risks. In addition, the level of capital assigned to each Unit may never be less than the statutory minimum capital required at any given time, plus a margin of 10%.

The capital assigned is set by way of an estimate, in accordance with the budgets for the following financial year, and is reviewed at least once a year in accordance with the evolution of the risks.

Certain Units require a level of capitalisation that exceeds the level described in this general rule, either because they operate in a different country with different legal requirements, or because they are rated and therefore are subject to higher financial solvency requirements. In these cases, the MAPFRE Steering Committee sets the level of capitalisation on an individual basis.

OPERATIONAL RISKS

Operational Risks are identified and evaluated with Riskm@p, a software application developed in-house at MAPFRE, which draws up the Risk Maps for the companies.

Riskm@p is also the corporate tool used for handling control activities (process manuals, inventory of controls associated to risks and evaluation of their effectiveness).

The model for the management of this risk is based on a dynamic analysis by processes such that the managers of each area or department can identify and evaluate on an annual basis the potential risks affecting the following processes: Product Development, Issue, Claims / Claims payments, Administrative Management, Commercial Activities, Human Resources, Commissions, Co-insurance / Re-insurance, Technical Reserves, Investments, I.T. Systems, and customer service.

FINANCIAL RISKS

MAPFRE's policy for mitigating its exposure to this type of risk has been based on prudent management of investments, with a significant weighting of high-class fixed-income securities in the portfolio.

In the management of investment portfolios a distinction is made between those that seek to match the obligations arising from the insurance contracts and those where there is active management. In the former, interest rate and other price variation risks are minimised, whereas in the latter the management policy envisages a certain degree of acceptance of market risks, as follows:

- In the portfolios which do not cover long-term liability commitments, the interest-rate risk management variable is the modified duration, and it is currently established that this figure should be around 5%, with a maximum value of 7%.
- Exposure to exchange rate risk is minimised in the case of insurance liabilities. Exposure to this risk must not exceed 10% of the surplus assets capable of providing support.
- Equity investments in shares are limited to a ceiling of 17% of the investment portfolio, as well as to per-country and per-sector concentration limits.

The risk limitations are established in easily-observable quantitative terms of variables. However, a risk analysis in probabilistic terms is carried out in accordance with historic volatilities and correlations.

With regard to the credit risk, MAPFRE's policy is based on maintaining a diversified portfolio formed by securities selected prudently on an issuer solvency basis.

Fixed income and equity investments are subject to per-country and per-issuer concentration limits.

INSURANCE ACTIVITY RISKS

MAPFRE's organization, based on Units specializing in the different lines of business, involves these Units enjoying a significant degree of autonomy in running their business, especially when it comes to subscribing risks and deciding tariffs, as well as the compensation or provision of service in the event of a claim. Premium adequacy is an item of particular importance, and its determination is supported by specific computer applications.

The processing of claims payments, as well as the adequacy of provisions, is a basic principle of insurance management. The technical reserves are estimated by the actuarial teams from the different Units and Companies, and their adequacy is ratified by reports from independent experts in those companies where this is required. The preponderance of the personal injuries business at MAPFRE, with fast settlement of claims, as well as the scarce significance of insured long-tail risks, such as asbestos or professional liability, are factors that mitigate this kind of risk.

The presence of MAPFRE in countries with a higher probability of the occurrence of natural disasters (earthquakes, hurricanes, etc....) requires a special treatment for these kinds of risks which, given their frequency and intensity, may give rise to volatility in the results or require additional capital. The Units and Companies that operate with these kind of risks, mainly MAPFRE AMÉRICA, MAPFRE RE, and MAPFRE INTERNACIONAL, rely on specialised reports on catastrophe exposure, generally drawn up by independent experts, which estimate the impact on the insured risks should a catastrophic event occur. This information allows catastrophic risks to be underwritten in accordance with the financial capabilities of each company, and where necessary, the take up of re-insurance cover limiting the impact on capital. In this regard, it is important to highlight the role of MAPFRE RE, which contributes its long experience in the catastrophe risks market to the management of the Group.

With regard to the re-insurance risk, MAPFRE's policy is to assign business to re-insurers with a proven financial capacity (Standard & Poor's credit rating of no less than A).

STRATEGIC AND CORPORATE GOVERNANCE RISKS

Ethical principles applied to business management have been a permanent feature at MAPFRE and form a part of its by-laws and of its day-to-day activities. In order to regulate this business culture and to bring it into line with current legal requirements regarding to management governance and transparency, in 2008 the Governing Bodies of MAPFRE approved a revised version of the Code of Good Governance, in force since 1999. The strict application of the principles of Good Corporate Governance is considered at MAPFRE to be the most efficient way to mitigate these kind of risks.

D.2 Indicate if any of the risks facing the company and/or its group (operational, technological, financial, legal, reputational, tax, etc) have materialised:

YES

If so, indicate the circumstances and whether the control systems worked properly.

Risk materialised in the financial year

EXCHANGE RATE RISK

Circumstances that led to this

Effect of cumulative inflation on the Venezuelan Bolivar

Operation of the control systems

In accordance with the provisions of International Accounting Standard (IAS) 29, the financial statements of the subsidiary MAPFRE LA SEGURIDAD (Venezuela) have been restated to show the effect of inflation. The restatement has had a negative effect of €21.4 million on the Company's consolidated profit.

Risk materialised in the financial year

OPERATIONAL RISK

Circumstances that led to this

FINE IMPOSED BY THE NATIONAL COMPETITION COMMISSION (NCC).

Operation of the control systems

The Board of the NCC has fined the insurance companies ASEFA, MAPFRE EMPRESAS/MAPFRE RE, CASER, SUIZA/SWISS RE, SCOR Y MÜNCHENER for allegedly forming a cartel to set minimum premium rates in 10-year building-defect insurance policies in Spain from 2002-2007. The fine imposed on MAPFRE's subsidiaries altogether amounted to €21,632,000. MAPFRE absolutely disagrees with the ruling, both because the alleged offence does not exist, and because the fine imposed is disproportionate and lacking in legal grounds, and therefore has proceeded to file an appeal.

D.3 Indicate whether there is any committee or other governing body in charge of establishing and supervising these control systems:

YES

If so, give details of what their duties are

Name of the Committee or Body

RISKS AND SOLVENCY II COMMITTEE

Description of duties

Set up in September 2007, it is responsible for co-ordinating the drawing-up of suitable capital models and the Group-wide implementation of the measures necessary for the application of the future solvency regulations.

Name of the Committee or Body

BOARD OF DIRECTORS AND STEERING COMMITTEE

Description of duties

The Group's Governing Bodies approve the Units' risk management-related courses of action, and permanently supervise the Units' risk exposure through indicators and ratios. In addition, there are general instructions on procedures for mitigating this exposure, such as maximum levels of investment in equities, or the credit rating of re-insurers.

D.4 Identify and describe the compliance processes for the regulations and standards affecting the company and/or its group.

The Group's Secretariat General is responsible for issuing instructions and monitoring compliance with the various regulations affecting the company and the group. The Directorate-General of Internal Auditing performs a systematic process for the review of compliance with the various regulations affecting the subsidiaries of the group.

E. Agm

E.1 Indicate and where applicable give details, whether there are any differences from the minimum standards established under the Companies act with respect to the quorum and constitution of the General Meeting

NO

	% quorum different from quorum in art. 102 of the Companies Act	% quorum different from quorum in art. 103 of the Corporations Act, for the special cases cited in art. 103
Quorum required on first summons	0	0
Quorum required on second summons	0	0

E.2 Indicate and where applicable give details, whether there are any differences from the minimum standards established under the Companies act with respect to the adoption of corporate resolutions:

YES

Describe any differences from the guidelines established under the Companies Act.

Describe the differences

Pursuant to the provisions of Article 25 of the company by-laws, the amendment of the provisions of Title IV "Protection of the Company's General Interest" (Articles 25 to 30) can only be amended by a resolution approved with the votes in favour of more than fifty per cent of the share capital at the Extraordinary General Meeting specifically called for this purpose.

E.3 List all shareholders' rights regarding the general meetings different from than those established under the Companies Act.

There are no shareholders' rights in the Company other than those established under the Companies Act with respect to AGMs.

E.4 Indicate measures adopted, if any, to encourage shareholder participation at AGMs.

Shareholders have ample and easily-accessible information in order to make decisions and to vote in a reasoned manner at the AGM. They are allowed to participate with no restrictions of any kind other than the courtesy and good order necessary at a public event.

E.5 Indicate whether the AGM is chaired by the chairman of the board of directors. List measures, if any, adopted to guarantee the independence and correct operation of the AGM:

YES

Details of the measures

Article 11 of the corporate bylaws establishes that the Chairman of the AGM shall be Chairman of the Board of Directors or whoever stands in for him/her in accordance with the provisions of the by-laws.

The Chairman and the Secretary of the AGM ensure that the Meeting is conducted with the utmost respect for shareholders' rights.

To date, no incident has arisen with regard to the smooth running of the general meetings.

E.6 Indicate any changes brought into the AGM Regulations during the year.

E.7 Give attendance data on the general meetings held during the year to which this report refers:

ATTENDANCE FIGURES

Date of AGM	% shareholders present	% attending by proxy	% voting remotely E-voting	Others	Total
07/03/2009	0.120	82.420	0.000	0.000	82.540

E.8 Briefly indicate the resolutions adopted at the general meetings held during the year and the percentage of votes by which each resolution was passed.

At the AGM held on first call on 7th March 2009, the resolutions listed below were passed by a majority. 1 shareholder, holding 2,235 shares (0.000081% of the share capital) voted against the resolutions.

- Approval of the individual and consolidated Annual Accounts for financial year 2008.
- Approval of corporate management during 2008.
- Re-election of the director Mr. Santiago Gayarre Vermilion for a further term of four years.
- Approval of the distribution of earnings proposed by the Board of Directors, and therefore distribute a total dividend of 0.15 euros gross per share to shares numbers 1 to 2,676,851,956, each inclusive, and of 0.08 euros gross per share to shares numbers 2,676,851,957 to 2,744,832,287, each inclusive. Part of this dividend, in the sum of 0.07 euros gross per share, was anticipated to shares numbers 1 to 2,676,851,956 by way of a resolution of the Board of Directors passed on 29th October 2008, and the rest, up to the total agreed, that is to say, 0.08 euros gross per share to all shares, numbers 1 to 2,744,832,287, each inclusive, will be paid as from 2nd April 2009.
- Authorization of the Board of Directors so that, pursuant to the provisions of section 153 of the Revised Text of the Spanish Corporations Act, it can, during the five years following the date of this resolution, increase the share capital once or several times by up to a maximum of 137,241,614.35 euros, equivalent to 50% of the share capital.
- Request that the shares that the company issues as a result of the share capital increase carried out by the Board of Directors under the authorization referred to in the preceding paragraph be listed for trading on the Stock Exchange.
- Authorization of the Board of Directors so that, pursuant to section 75 and related sections of Revised Text of the Spanish Corporations Act, the Company can proceed, directly or through subsidiaries, to the derivative acquisition of treasury shares whose face value, added to the face value of the shares already owned by the Company and its subsidiaries, does not exceed 5% of the share capital of MAPFRE, S.A. and during a term of eighteen months calculated from the date of this resolution.
- Endorsement of the report on the directors' remuneration policy that is submitted to the AGM for consultative purposes.
- Extend the appointment of the firm Ernst & Young, S.L. as the Company's Accounts Auditors.



E.9 Indicate the number of shares, if any, that are required to be able to attend the General Meeting and whether there are any restrictions on such attendance in the bylaws:

YES

Number of shares necessary to attend the AGM	1,500
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E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the AGM.

The company does not pursue any specific policy with regard to voting by proxy at the AGM.

E.11 Indicate whether the company is aware of the institutional investors' policy regarding whether or not to participate in the company's decision making:

NO

E.12 Indicate the address and mode of access to the content on corporate governance on your web-site.

Access is as follows: www.mapfre.com

General information

Shareholders and Investors.

F. Degree of compliance with corporate governance recommendations.

Indicate the extent to which the company follows the recommendations of the unified code on corporate governance. Should the company not have complied with any of them, explain the recommendations, standards, practices and/or criteria that the company does apply.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2.

Complies

2. When a dominant and a subsidiary company are publicly traded, the two should provide detailed disclosure on:

a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

None

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Meeting for approval or ratification. In particular:

a) The transformation of listed companies into holding companies through the process of subsidiarisation, reallocating core activities to subsidiaries that were previously carried out by the holding company, even though the holding company retains full control of the subsidiaries;

b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;

c) Operations that effectively entail the company's liquidation.

Complies

4. Detailed proposals of the resolutions to be adopted at the General Meeting, including the information stated in Recommendation 28, should be made available at the same time as publication of the call to meeting.

Complies

5. Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

a) The appointment or ratification of directors, with separate voting on each candidate;

b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Complies

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Complies

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interests and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies

8. The board should see its core mission as approving the company's strategy and authorising the organisational resources to carry it forward, and ensuring that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

- a) The Company's general strategies and policies, and in particular:
- i) The strategic or business plan and the annual management and budgetary targets;
 - ii) The investment and funding policy;
 - iii) The definition of how the Group companies are structured;
 - iv) The corporate governance policy;
 - v) The corporate social responsibility policy;
 - vi) The policy for senior managers' remuneration and performance assessment;
 - vii) The policy for overseeing and managing risks, and the periodic monitoring of the internal information and oversight systems.
 - viii) The pay-out policy and the treasury-stock policy, especially their limits.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions

- i) At the proposal of the CEO, the appointment and possible severance of senior managers, and their compensation clauses.
See section: B.1.14.
- ii) Directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include.
See section: B.1.14.
- iii) The financial information that the Company, as a publicly traded company, must disclose periodically.
- iv) Investments and/or transactions of any kind, whose high value or special characteristics make them strategic, unless the AGM is charged with approving them;
- v) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the Group's transparency.

c) Transactions between the Company and its directors, its significant shareholders and/or shareholders represented on the board, and/or parties related to them ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are carried out under arms' length contracts with standard terms and conditions, applicable en masse to a large number of customers;
2. They go through at market rates set in general by the supplier of the goods or services;
3. They are worth less than 1% of the Company's annual revenues.

Related-party transactions should only be approved on the basis of a favourable report from the Auditing Committee or any other committee entrusted with such a report; and the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

The above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C.1 and C.6

Complies

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Explain

The company considers that the size of the Board meets the interests of maximum effectiveness and participation, and is suited to the Group's historical performance and particular circumstances.

10. External, shareholder-nominated and independent directors should occupy an ample majority of board places, while the number of executive directors should be the minimum required to deal with the complexity of the corporate group and reflect the ownership interests they control.

See sections: A.2, A.3, B.1.3 and B.1.14.

Complies

11. If any external director cannot be considered a shareholder-nominated or an independent director, the company should disclose this circumstance and the affiliations between the director and the company or its senior officers, or its shareholders.

See section: B.1.3

None

12. Amongst external directors, the ratio between the number of shareholder-nominated and independent directors should reflect the percentage of shares held by the company that the shareholder-nominated director represents and the remaining share capital.

This strict proportionality can be relaxed so the percentage of nominee directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested in absolute terms.
2. In companies with a plurality of shareholders represented on the board but not otherwise related to each other.

See sections: B.1.3, A.2 and A.3

Explain

Even though the shareholders that appoint the nominee directors (10) represent almost 79% of the share capital, there is a large number of independent directors (7).

13. Independent directors should account for at least one third of the total number of seats.

See section: B.1.3

Explain

The company has established its own criterion in the MAPFRE Code of Good Governance: at least one third of the directors must be independent directors (7) or minority nominee directors (2).

14. The Board should explain the type of each directorship to the AGM that must appoint the director or ratify their appointment. This should be confirmed or reviewed each year in the annual report on corporate governance, after verification by the Appointments & Remuneration committee. Said report should also disclose the reasons for the appointment of nominee directors at the behest of shareholders controlling less than 5% of capital; and it should explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a nominee directorship.

See sections: B.1.3 and B.1.4

Complies

15. If there are few or no female directors, the board should explain the reasons and the initiatives adopted to correct the situation. In particular, the Appointments committee should take steps to ensure that, when vacancies arise:

The procedure for filling board vacancies has no implicit bias against women candidates;

The company makes a conscious effort to include women with the target profile among the candidates for board seats.

See sections: B.1.2, B.1.27 and B.2.3.

Complies in part

The Code of Good Governance lays down express rules in this respect for the Appointments and Remuneration Committee.

16. The chairman, who is responsible for the efficient running of the Board, should at all times ensure that the directors receive sufficient prior information for the meetings; encourage directors to debate and participate actively in the meetings, safeguarding their freedom to take their own stance and express their own opinion. He/she should organise and coordinate periodic assessment of the board with the chairs of the relevant committees and with the Bank's managing director or chief executive officer, when this is not also the chairman.

See section: B.1.42

Complies

17. When a company's chairman is also its chief executive, an independent director should be empowered to request a board meeting be called or new business included on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the chairman.

See section: B.1.21

Complies in part

Pursuant to article 18 of the company by-laws, any director may request the inclusion of a point on the agenda and so any one of them has the power to make his/her concerns known to the Board of Directors.

A Board meeting may be requested by three directors, irrespective of their type of directorship.

Pursuant to the MAPFRE Code of Good Governance, every year the Board shall evaluate the performance of the Chairman, and where appropriate, the most senior executive officer, should these not be the same person, on the basis of the report drawn up for this purpose by the Appointments and Remuneration Committee.

18. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulators;
- b) Comply with the corporate bylaws and the regulations of the general meeting, the board of directors or others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the company secretary, his or her appointment and removal should be proposed by the Appointment committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.

See section: B.1.34

Complies

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.1.29

Complies

20. Directors should keep their absences to the bare minimum. Absences should be quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.1.28 and B.1.30

Complies

21. When directors or the company secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, the person expressing them may request they be recorded in the minutes.

Complies

22. The board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the board's operation;
- b) Based on a report submitted by the Appointments committee, how well the chairman and chief executive have carried out their duties;
- c) The performance of its committees on the basis of the reports furnished by such committees.

See section: B.1.19

Complies

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the chairman or secretary.

See section: B.1.42

Complies

24. All directors should be entitled to call on the company for the advice and guidance they need to perform their duties. The company should provide suitable channels for the exercise of this right. Under special circumstances it could include external assistance at the company's expense.

See section: B.1.41

Complies

25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Complies

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) The directors must inform the Appointments & Remuneration committee of their other professional obligations, in case these interfere with the dedication required to perform their duties.
- b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Complies

27. The proposal for the appointment or renewal of directors which the board submits to the General Meeting, as well as provisional appointments by co-option, should be approved by the board:

- a) At the proposal of the Appointments committee for independent directors;
- b) On the basis of a report by the Appointments committee for all other directors.

See section: B.1.2

Complies

28. Companies should publish the following director particulars on their website and keep them permanently updated:

- a) Professional experience and background;
- b) Directorships held in other companies, listed or otherwise;
- c) An indication as to whether the directorship is executive, shareholder-nominated or independent; in the case of nominee directors, stating the shareholder they represent or to whom they are affiliated.
- d) The date of their first and subsequent appointments as a company director, and;
- e) Shares and/or share options held in the company.

Complies

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See section: B.1.2

Complies

30. Nominee directors must resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to nominee directors, the number of such nominee directors should be reduced accordingly.

See sections: A.2, A.3 and B.1.2

Complies

31. The board of directors must not propose the removal of independent directors before the expiry of their term in office pursuant to the bylaws, except where due cause is found by the board, based on a report from the Appointments committee. In particular, due cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Complies

32. Companies should establish rules obliging directors to inform the board of any circumstance that might undermine the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

If a director is indicted or tried for any of the crimes stated in article 124 of the Companies Act, the board should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Complies

33. The directors should clearly express their opposition when they consider that a resolution submitted to the Board may not be in the Company's best interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the Board adopts material or reiterated resolutions on issues about which a director has expressed serious reservations, said director must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

This Recommendation should also apply to the company secretary, even if the secretary is not a director.

Complies

34. If leaving office before the end of its term, the director should explain the reasons in a letter sent to all board members. Whether or not such resignation is filed as a significant event, the reasons for leaving must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Complies

35. The company's remuneration policy, as approved by its board of directors, should specify at least the following points:

- a) Amount of the fixed components, itemised where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this.



b) Variable remuneration items, including, in particular:

- i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
- ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
- iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and
- iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) Conditions that the contracts of executive directors in senior management must respect, including:

- i) Duration;
- ii) Notice periods; and
- iii) Any other clauses covering hiring bonuses, as well as indemnities or ringfencing in the event of early termination or rescission of the contractual relationship between company and executive director.

See section: B.1.15

Complies

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-indexed instruments, payments indexed to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their term of office.

See sections: A.3, B.1.3

Complies

37. External directors' remuneration should sufficiently compensate them for the dedication, qualifications and responsibilities that the post entails; but should not be so high as to compromise their independence.

Complies

38. Deductions should be made to remuneration linked to company earnings, for any qualifications stated in the external auditor's report that reduce such earnings.

Complies

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Complies

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 34, except those potentially entailing the disclosure of commercially sensitive information. It will highlight the most significant changes in these policies compared to those applied during the year prior to that put before the AGM. It will also include a global summary of how the remuneration policy was applied during said prior year.

The board should also report to the General Meeting on the role of the Remuneration committee in designing the policy, and identity any external advisors engaged.

See section: B.1.16

Complies

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

- a) Itemisation of each company director's remuneration, to include where appropriate:
 - i) Attendance fees and other fixed payments for directorship;
 - ii) Additional remuneration for acting as chairman or member of a board committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
 - iv) The payments made to any director's defined-benefit pension scheme; or increase in the director's vested rights when linked to contributions to defined-benefit schemes;
 - v) Any severance packages agreed or paid;
 - vi) Any remuneration they receive as directors of other companies in the group;
 - vii) The remuneration executive directors receive in respect of their senior management posts;
 - viii) Any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.
- b) A breakdown of shares, share options or other share-based instruments delivered to each director, itemised by:
 - i) Number of shares or options awarded in the year, and the terms set for exercising the options;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.
- c) Information on the relationship in the previous year between the remuneration obtained by executive directors and the company's earnings or any other measure of performance.

Explain

The information on remuneration which is supplied in aggregate form by director categories, but broken down in a sufficiently explanatory way.

The company shares the opinion that the AGM must maintain suitable oversight of Board Members' remuneration, but considers that such oversight can be exercised effectively globally or by homogeneous groups of Board Members. In the Company's opinion, individual details, which may afford an advantage with a view to transparency, poses more disadvantages than such advantages.

42. When the company has an executive committee, the breakdown of its members by director category should be similar to that of the board itself. The secretary of the board should also act as secretary to the executive committee.

See sections: B.2.1 and B.2.6

Explain

The company has its own criterion, configuring it as a delegated body that is fully executive, with the presence of the senior managers of the main bodies of the Group, and with the presence of two external nominee directors.

43. The board should be kept fully informed of the business transacted and resolutions adopted by the Executive committee. To this end, all board members should receive a copy of the committee's minutes.

Complies

44. In addition to the Audit committee mandatory under the Securities Market Act, the board of directors should form a committee, or two separate committees, for appointments and remuneration.

The rules governing the composition and operation of the Auditing committee and the committee(s) for appointments and remuneration should be set forth in the board regulations, and include the following:

- a) The board of directors should appoint the members of such committees in view of the knowledge, skills and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first full board meeting following each meeting;
- b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior management may also attend meetings at the committees' express invitation.
- c) These committees should be chaired by an independent director.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings should be minuted and a copy sent to all board members.

See sections: B.2.1 and B.2.3

Complies in part

All recommendations are complied with except for sections b) and c). Both Committees have executive directors and the chairman of the Appointments and Remuneration Committee is not an independent board member.

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Auditing committee, the appointments committee or, as the case may be, separate compliance or corporate governance committees.

Complies

46. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management.

Complies

47. Listed companies should have an internal audit function, under the supervision of the audit committee, to ensure the proper operation of internal reporting and control systems.

Complies

48. The head of internal audit should present an annual work programme to the audit committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies

49. The oversight and risk management policy should specify at least:

The different types of risk (operational, technological, financial, legal, reputational, etc) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;

The level of risk that the company considers acceptable;

The measures established to mitigate the impact of the risks identified, should they materialise;

The internal oversight and reporting systems that will be used to control and manage said risks, including contingent liabilities and off-balance-sheet risks.

See section: D

Complies

50. The Audit committee's role should be:

1. With respect to internal control and reporting systems:

- a) To supervise the process of drawing up the financial information and its integrity for the company and its group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.
- b) To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.
- c) To ensure the independence and efficacy of the internal audit. To propose the selection, appointment, re-election and severance of the internal audit officer. To propose the budget for the internal audit service. To receive periodic information on their activities; and to check that the senior management takes the conclusions and recommendations of their reports into account.
- d) To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities they notice within the company that may be of potential importance, especially financial and accounting irregularities.

2. With respect to the external auditor:

- a) To put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.
- b) To receive regular information from the external auditor on the auditor's office plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.
- c) To ensure the independence of the external auditor, to which end:
 - i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - ii) Also to ensure that the company and the external auditor respect prevailing standards on the provision of services other than auditing, the limits on concentration of the auditor's business and, in general, other standards established to guarantee auditors' independence;
 - iii) Should the external auditor resign, to examine the circumstances leading to the resignation.
- d) In groups, to help the group auditor take responsibility for auditing the companies belonging to it.

See sections: B.1.35, B.2.2., B.2.3 and D.3

Complies

51. The Auditing Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making 8:

- a) The financial information that the Company, as a publicly traded company, must disclose periodically. The committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review;
- b) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the group's transparency.
- c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2. and B.2.3

Complies

53. The Board of Directors shall try to avoid the accounts it has filed being presented to the AGM with reservations and qualifications. When this is not possible, both the chair of the Audit committee and the auditors must clearly explain the content and scope of discrepancies to the markets and shareholders.

See section: B.1.38

Complies

54. The majority of appointments committee members – or appointments & remuneration committee members as the case may be – should be independent directors.

See section: B.2.1

Explain

The company has its own criterion with regard to the proper make-up of the Appointments and Remuneration Committee (which may be seen in detail in sub-section B.2.1. of this report).

55. The Appointments Committee should have the following duties in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience required on the board, define the roles and capabilities required of the candidates to fill each vacancy accordingly, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in the manner it deems suitable, the succession of the chairman and/or chief executive officer and put corresponding proposals to the board for an orderly, well-planned succession.
- c) Report on the senior officer appointments and removals that the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this code.

See section: B.2.3

Complies

56. The appointments & remuneration committee shall consult with the company chairman and the chief executive officer with respect to matters related to executive directors.

Any board member may suggest directorship candidates to the appointment committee for its consideration.

Complies

57. The appointments committee should have the following duties in addition to those stated in earlier recommendations:

- a) Propose to the Board of Directors:
 - i) The policy for directors' and senior managers' remuneration;
 - ii) The individual remuneration and other contractual conditions of executive directors.
 - iii) The core conditions for senior officer employment contracts.
- b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14, B.2.3

Complies

58. The appointments & remuneration committee shall consult with the company chairman and the chief executive officer, especially with respect to matters related to executive directors and senior managers.

Complies

G. Other information of interest

List and explain below the contents of any relevant principles or aspects of corporate governance applied by the company that have not been covered by this report.

This section may include any other relevant information, clarification or detail related to previous sections of the report.

Specifically indicate whether the company is subject to corporate governance legislation from any country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

Binding definition of independent director.

Indicate whether any of the independent directors has or has had any relationship with the company, its significant shareholders and/or its executives which, if sufficiently significant, would have meant that the director could not be considered independent under the definition given in section 5 of the unified code of good governance:

NO

Date and signature:

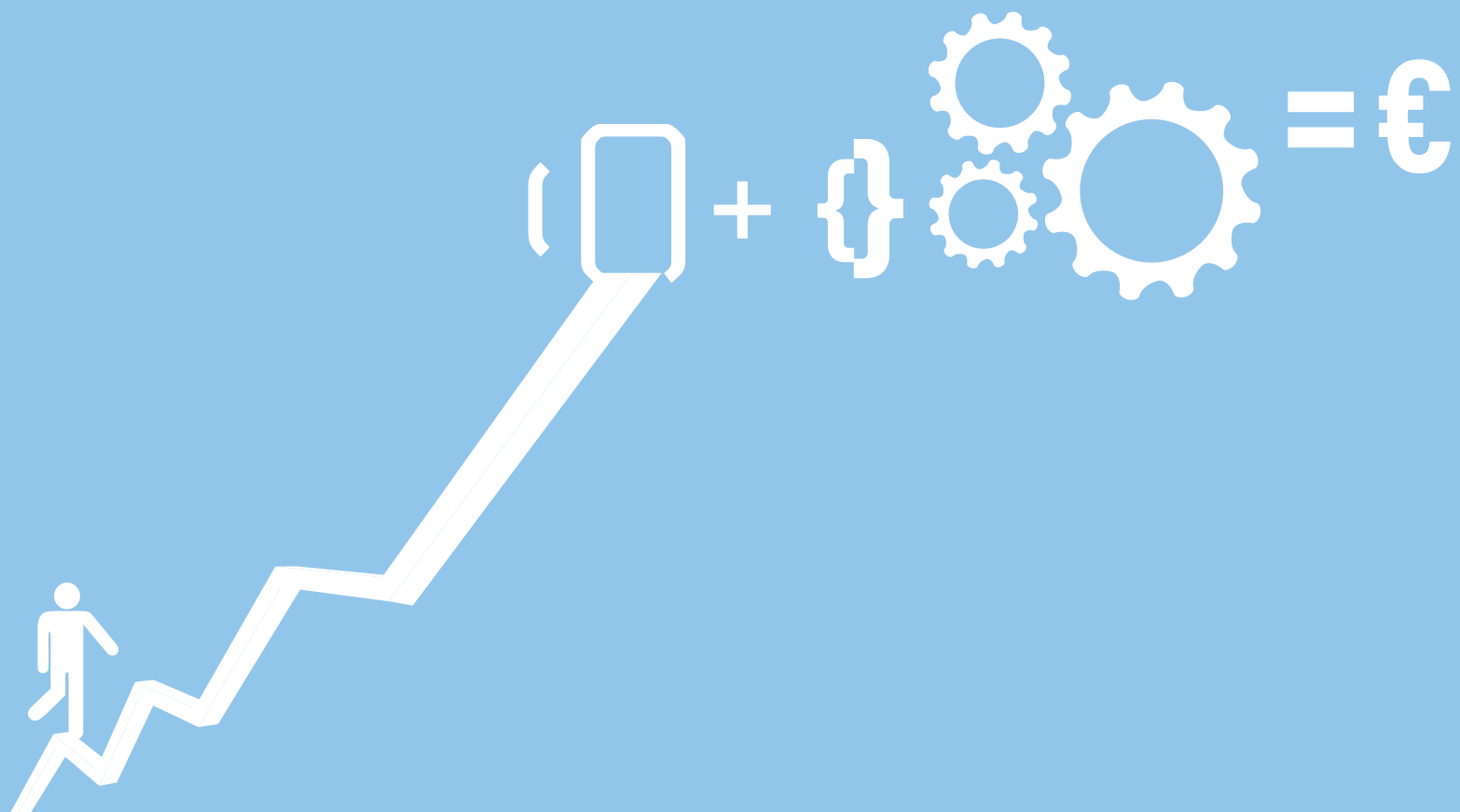
This annual report on corporate governance has been approved by the Company's board of directors on 03/02/2010

Indicate whether any members have voted against or abstained with respect to the approval of this report.

NO



6 Annual consolidated financial statements 2009



A) Consolidated balance sheet as at 31 December 2009 and 2008

ASSETS	Notes	2009	2008
A) INTANGIBLE ASSETS	6.1	2,121.04	2,064.86
I. Goodwill	6.1	1,643.85	1,601.29
II. Other intangible assets	6.1	477.19	463.57
B) PROPERTY, PLANT AND EQUIPMENT	6.2	1,536.19	1,292.24
I. Property for own use	6.2	1,055.55	918.50
II. Other property, plant and equipment	6.2	480.64	373.74
C) INVESTMENTS		28,989.94	28,341.86
I. Investment property	6.2	858.43	930.74
II. Financial investments			
1. Portfolio held to maturity	6.4	924.28	741.14
2. Portfolio available for sale	6.4	25,118.15	24,595.28
3. Trading portfolio	6.4	1,225.65	939.11
III. Investments recorded applying the equity method	3.1	429.24	325.88
IV. Deposits established for accepted reinsurance		202.63	124.61
V. Other investments		231.56	685.10
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS BEARING THE INVESTMENT RISK	6.5	798.68	472.42
E) INVENTORIES	6.6	654.92	687.05
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	6.14	2,484.12	2,565.80
G) DEFERRED TAX ASSETS	6.21	711.83	585.62
H) CREDITS & RECEIVABLES	6.7	3,610.10	3,148.91
I. Credits on direct insurance and coinsurance operations	6.7	2,453.01	2,412.93
II. Credits on reinsurance operations	6.7	493.67	315.93
III. Tax credits			
1. Tax on profits to be collected	6.21	24.58	28.84
2. Other tax credits		54.89	55.48
IV. Corporate and other credits	6.7	583.95	335.73
V. Shareholders, called capital		-	-
I) CASH AND BANKS	6.9	861.07	1,415.07
J) ACCRUAL ADJUSTMENTS		1,223.97	1,004.27
K) OTHER ASSETS		109.84	90.52
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	6.10	4.15	20.75
TOTAL ASSETS		43,105.85	41,689.37

FIGURES IN MILLION EUROS

LIABILITIES AND EQUITY	Notes	2009	2008
A) EQUITY	6.11	7,093.75	5,716.37
I. Share capital	6.11	292.26	274.48
II. Share premium reserve, other reserves and interim dividends	6.11	4,916.18	4,116.04
III. Treasury stock		-	-
IV. Retained earnings	4.1	926.85	900.69
V. Other equity instruments		-	-
VI. Valuation adjustment reserves		160.05	[244.44]
VII. Translation differences	6.23	[129.65]	[144.59]
Equity attributable to the controlling Company's shareholders		6,165.69	4,902.18
Minority interests		928.06	814.19
B) SUBORDINATED LIABILITIES	6.12	620.69	723.52
C) TECHNICAL PROVISIONS	6.14	28,968.46	28,384.80
I. Provisions for unearned premiums and for risks in progress	6.14	5,625.77	5,285.87
II. Provisions for life assurance	6.14	16,454.79	16,195.22
III. Provisions for outstanding claims	6.14	6,382.72	6,408.86
IV. Other technical provisions	6.14	505.18	494.85
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK	6.14	798.68	472.42
E) PROVISIONS FOR RISKS AND EXPENSES	6.15	404.95	316.52
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	6.16	126.22	131.39
G) DEFERRED TAX LIABILITIES	6.21	870.25	581.54
H) DEBT	6.17	3,932.02	5,052.14
I. Issuance of debentures and other negotiable securities	6.13	428.01	463.21
II. Due to credit institutions	6.13	1,013.93	1,857.75
III. Other financial liabilities	6.13	309.87	718.97
IV. Due on direct insurance and coinsurance operations	6.17	690.70	700.82
V. Due on reinsurance operations	6.17	394.29	253.08
VI. Tax payable			
1. Tax on profits to be paid	6.21	158.39	214.42
2. Other tax debts		199.83	317.04
VII. Other debts	6.17	737.00	526.85
I) ACCRUAL ADJUSTMENTS		288.92	303.30
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	6.10	1.91	7.37
TOTAL LIABILITIES AND EQUITY		43,105.85	41,689.37

FIGURES IN MILLION EUROS

B) Consolidated statement of comprehensive income for years ended 31 December 2009 and 2008

B.1) Consolidated income statement

CONCEPT	NOTES	2009	2008
I. REVENUES FROM INSURANCE BUSINESS			
1. Insurance premiums, net			
a) Written premiums, direct insurance	7.2	13,824.29	12,859.60
b) Premiums from accepted reinsurance	7.2	1,782.50	1,445.17
c) Premiums from ceded reinsurance	6.20	(1,638.55)	(1,513.92)
d) Variation in provisions for premiums and risks in progress, net			
Direct insurance	6.15	(177.14)	(337.22)
Accepted reinsurance	6.15	(119.14)	(59.16)
Ceded reinsurance	6.20	42.23	78.67
2. Profits from companies recorded by the equity method		7.89	9.70
3. Income from investments			
a) From operations	6.18	2,005.07	2,053.56
b) From equity	6.18	201.95	246.33
4. Unrealised gains in investments on account of life policyholders bearing the investment risk		65.46	49.91
5. Other technical revenues		39.95	33.44
6. Other non technical revenues		78.87	58.67
7. Positive translation differences	6.23	179.49	301.69
8. Reversal of the asset impairment provision	6.8	4.82	9.57
TOTAL REVENUES FROM INSURANCE BUSINESS		16,297.69	15,236.01
II. EXPENSES FROM INSURANCE BUSINESS			
1. Claims, net			
a) Claims paid and variation in provision for claims, net			
Direct insurance	5.15	(10,031.78)	(9,358.22)
Accepted reinsurance	5.15	(1,033.06)	(889.76)
Ceded reinsurance	6.20	795.91	1,079.34
b) Claims related expenses	5.15	(579.05)	(533.81)
2. Variation in other technical provisions, net	5.15	148.62	(111.41)
3. Profit sharing and returned premiums		(28.90)	(44.89)
4. Net operating expenses	6.19		
a) Acquisition expenses		(2,540.36)	(2,219.78)
b) Administration expenses		(682.87)	(646.23)
c) Commissions and participation in reinsurance	6.20	216.44	204.75
5. Sharing in losses from companies recorded by the equity method		(11.43)	(14.83)
6. Expenses from investments			
a) From operations	6.18	(588.66)	(572.89)
b) From equity and financial accounts	6.18	(80.71)	(107.31)
7. Unrealised losses in investments on account of life policyholders bearing the investment risk		(39.36)	(87.65)
8. Other technical expenses		(111.28)	(124.43)
9. Other non technical expenses		(33.22)	(35.95)
10. Negative translation differences	6.23	(184.12)	(230.34)
11. Allowance to the asset impairment provision	6.8	(22.02)	(78.87)
TOTAL EXPENSES FROM INSURANCE BUSINESS		(14,805.85)	(13,772.28)
RESULT OF THE INSURANCE BUSINESS		1,491.84	1,463.73
III. OTHER ACTIVITIES			
1. Operating revenues		532.51	502.60

(Continue on the following page)

(Continued from previous page)

CONCEPT	NOTES	2009	2008
2. Operating expenses	6.19	(488.44)	(522.80)
3. Net financial revenues			
a) Financial revenues	6.18	95.56	133.15
b) Financial expenses	6.18	(98.88)	(147.90)
4. Results from minority interests			
a) Profits from companies recorded by the equity method		0.50	0.50
b) Losses from companies recorded by the equity method		(49.02)	-
5. Reversal of asset impairment provision	6.8	11.53	3.11
6. Allowance to the asset impairment provision	6.8	(30.93)	(49.13)
7. Result from the disposal of non current assets classified as held for sale, not included in discontinued operations		-	-
RESULT FROM OTHER ACTIVITIES		(27.17)	(80.47)
IV. RESULT ON RESTATEMENT OF FINANCIAL ACCOUNTS	3.2	(18.50)	-
V. RESULT BEFORE TAX FROM ONGOING OPERATIONS		1,446.17	1,383.26
VI. TAX ON PROFIT FROM ONGOING OPERATIONS	6.21	(407.77)	(385.14)
VII. RESULT AFTER TAX FROM ONGOING OPERATIONS		1,038.40	998.12
VIII. RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	6.10	(2.33)	(2.20)
IX. RESULT FOR THE YEAR		1,036.07	995.92
1. Attributable to minority shareholders		(109.22)	(95.23)
2. Attributable to the controlling Company	4.1	926.85	900.69
FIGURES IN MILLION EUROS			
Basic and diluted gains per share (euros)	4.1	0.33	0.34

B.2) Consolidated statement of recognised income and expense

CONCEPT	GROSS AMOUNT		TAX ON PROFITS		ATTRIBUTABLE TO MINORITY INTERESTS		ATTRIBUTABLE TO THE CONTROLLING COMPANY	
	2009	2008	2009	2008	2009	2008	2009	2008
A) CONSOLIDATED RESULT IN THE YEAR	1,443.84	1,381.06	(407.77)	(385.14)	(109.22)	(95.23)	926.85	900.69
B) OTHER RECOGNISED INCOME (EXPENSE)	536.95	(823.29)	(139.37)	197.24	(32.86)	29.34	364.72	(596.71)
1. Financial assets available for sale	624.85	(916.93)	(162.91)	257.22	(40.07)	22.14	421.87	(637.57)
a) Valuation gains (losses)	692.07	(937.73)	(208.59)	273.83				
b) Amounts transferred to the income statement	(34.84)	20.80	35.12	(16.61)				
c) Other reclassifications	(32.38)	-	10.56	-				
2. Translation differences	20.97	(120.40)	(4.61)	3.99	(1.42)	6.84	14.94	(109.57)
a) Valuation gains (losses)	21.22	(119.66)	(4.61)	3.99				
b) Amounts transferred to the income statement	-	(0.74)	-	-				
c) Other reclassifications	(0.25)	-	-	-				
3. Shadow accounting	(127.79)	218.89	38.34	(65.67)	11.00	0.15	(78.45)	153.37
a) Valuation gains (losses)	(154.68)	234.90	46.41	(70.47)				
b) Amounts transferred to the income statement	26.89	(16.01)	(8.07)	4.80				
4. Entities measured by the equity method	20.15	0.77	(10.56)	-	(2.78)	(0.07)	6.81	0.70
a) Valuation gains (losses)	(12.53)	0.80	-	-				
b) Amounts transferred to the income statement	0.05	0.14	-	-				
c) Other reclassifications	32.63	(0.17)	(10.56)	-				
5. Other recognised income and expense	(1.23)	(5.62)	0.37	1.70	0.41	0.28	(0.45)	(3.64)
TOTALS	1,980.79	557.77	(547.14)	(187.90)	(142.08)	(65.89)	1,291.57	303.98

FIGURES IN MILLION EUROS

C) Consolidated statement of changes in equity as at 31 December 2009 and 2008

CONCEPT	EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY OWN FUNDS			VALUATION AND CURRENCY TRANSLATION ADJUSTMENTS	MINORITY INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM, RESERVES AND INTERIM DIVIDEND	RESULT ATTRIBUTED TO THE CONTROLLING COMPANY			
OPENING BALANCE AS AT 1 JANUARY 2008	227.53	3,226.30	731.06	146.52	1,283.00	5,614.41
1. Changes in accounting policies	-	-	-	-	-	-
2. Correction of errors	-	-	-	-	-	-
RESTATED OPENING BALANCE	227.53	3,226.30	731.06	146.52	1,283.00	5,614.41
I. TOTAL RECOGNISED REVENUES (EXPENSES)	-	-	900.69	(596.71)	65.89	369.87
II. TRANSACTIONS WITH CONTROLLING COMPANY'S AND MINORITY SHAREHOLDERS	46.95	158.68	-	61.16	(534.70)	(267.91)
1. Capital increases (decreases) (Note 6.11)	46.95	1,327.89	-	-	-	1,374.84
2. Dividend pay-out (Note 4.2)	-	(374.76)	-	-	-	(374.76)
3. Increases (decreases) from business combinations	-	-	-	-	116.97	116.97
4. Other transactions with controlling Company's and minority shareholders (Note 6.11)	-	(794.45)	-	61.16	(651.67)	(1,384.96)
III. OTHER VARIATIONS IN EQUITY	-	731.06	(731.06)	-	-	-
1. Transfers among equity items	-	731.06	(731.06)	-	-	-
2. Other variations	-	-	-	-	-	-
CLOSING BALANCE AS AT 31 DECEMBER 2008	274.48	4,116.04	900.69	(389.03)	814.19	5,716.37
OPENING BALANCE AS AT 1 JANUARY 2009	274.48	4,116.04	900.69	(389.03)	814.19	5,716.37
1. Changes in accounting policies	-	-	-	-	-	-
2. Correction of errors	-	-	-	-	-	-
RESTATED OPENING BALANCE	274.48	4,116.04	900.69	(389.03)	814.19	5,716.37
I. TOTAL RECOGNISED REVENUES (EXPENSES)	-	-	926.85	364.72	142.08	1,433.65
II. TRANSACTIONS WITH CONTROLLING COMPANY'S AND MINORITY SHAREHOLDERS	17.78	(137.31)	-	-	(42.57)	(162.10)
1. Capital increases (decreases) (Note 6.11)	17.78	300.22	-	-	-	318.00
2. Dividend pay-out (Note 4.2)	-	(420.03)	-	-	(51.76)	(471.79)
3. Increases (Decreases) from business combinations	-	-	-	-	31.33	31.33
4. Other transactions with controlling Company's and minority shareholders	-	(17.50)	-	-	(22.14)	(39.64)
III. OTHER VARIATIONS IN EQUITY	-	937.45	(900.69)	54.71	14.36	105.83
1. Transfers among equity items	-	840.06	(900.69)	60.63	-	-
2. Other variations (Note 3.2)	-	97.39	-	(5.92)	14.36	105.83
CLOSING BALANCE AS AT 31 DECEMBER 2009	292.26	4,916.18	926.85	30.40	928.06	7,093.75

FIGURES IN MILLION EUROS

D) Consolidated cash flow statement for years ended 31 December 2009 and 2008

CONCEPT	2009	2008
1. Insurance activities:	2,437.93	2,783.64
Cash received from insurance activities	16,369.97	14,463.66
Cash payments from insurance activities	(13,932.04)	(11,680.02)
2. Other operating activities	(2,626.05)	(2,549.88)
Cash received from other operating activities	1,042.18	794.61
Cash payments from other operating activities	(3,668.23)	(3,344.49)
3. Payment/receipt of corporation tax	(303.10)	(244.06)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(491.22)	(10.30)
1. Proceeds from investment activities:	9,396.92	8,423.72
Plant and equipment	161.10	27.98
Investments in property	180.84	191.66
Intangible fixed assets	2.45	1.23
Financial instruments	6,649.06	5,791.98
Shareholdings	325.43	368.70
Dependent companies and other business units	80.30	147.63
Interest collected	905.91	1,075.42
Dividends collected	144.79	128.69
Other receipts related to investment activities	947.04	690.43
2. Payments from investment activities:	(8,332.83)	(9,972.88)
Plant and equipment	(112.52)	(275.19)
Investments in property	(77.01)	(70.68)
Intangible fixed assets	(52.82)	(96.51)
Financial instruments	(6,737.53)	(6,580.16)
Shareholdings	(126.61)	(397.92)
Dependent companies and other business units	(115.48)	(1,983.75)
Other payments related to investment activities	(1,110.86)	(568.67)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	1,064.09	(1,549.16)
1. Proceeds from financing activities:	955.68	2,386.94
Debenture bonds	-	-
Proceeds from issuance of equity instruments and capital increases	318.00	668.94
Proceeds from sale of treasury stock	-	-
Other proceeds related to financing activities	637.68	1,718.00
2. Payments from financing activities:	(2,081.87)	(1,028.27)
Dividends paid to shareholders	(465.81)	(422.18)
Interests paid	(100.06)	(126.13)
Debenture bonds	(49.16)	(5.11)
Payments on return of shareholders' contributions	-	-
Purchase of treasury stock	-	-
Other proceeds related to financing activities	(1,466.84)	(474.85)
NET CASH FLOW EFFECT OF FINANCING ACTIVITIES	(1,126.19)	1,358.67
NET INCREASE/(DECREASE) IN CASH FLOW	(0.68)	(23.54)
Translation differences in cash flow and cash balances	(554.00)	(224.33)
OPENING CASH BALANCE	1,415.07	1,639.40
CLOSING CASH BALANCE	861.07	1,415.07

FIGURES IN MILLION EUROS

E) Financial information by segments - Consolidated balance sheet as at 31 December 2009 and 2008

ASSETS	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2009	2008	2009	2008	2009	2008
A) INTANGIBLE ASSETS	528.64	482.80	665.03	719.58	318.46	294.98
I. Goodwill	255.12	202.71	564.00	604.07	238.83	252.88
II. Other intangible assets	273.52	280.09	101.03	115.51	79.63	42.10
B) PROPERTY, PLANT AND EQUIPMENT	67.12	63.70	586.43	680.45	300.74	160.90
I. Property for own use	42.86	39.28	461.21	500.00	174.74	126.16
II. Other property, plant and equipment	24.26	24.42	125.22	180.45	126.00	34.74
C) INVESTMENTS	17,473.41	17,063.97	4,599.64	4,695.45	4,717.70	4,358.64
I. Investment property	186.05	186.64	320.87	462.44	459.91	319.20
II. Financial investments						
1. Portfolio held to maturity	468.02	440.31	172.33	115.53	290.92	157.12
2. Portfolio available for sale	15,886.79	15,866.25	3,762.81	3,663.43	3,344.61	3,278.16
3. Trading portfolio	816.15	436.38	135.36	220.03	272.44	273.97
III. Investments recorded applying the equity method	16.24	22.18	96.55	19.75	308.68	84.34
IV. Deposits established for accepted reinsurance	-	0.08	0.05	0.15	8.82	7.03
V. Other investments	100.16	112.13	111.67	214.12	32.32	238.82
D) INVESTMENTS ON ACCOUNT OF LIFE POLICYHOLDERS BEARING THE INVESTMENT RISK	798.68	472.42	-	-	-	-
E) INVENTORIES	-	-	-	-	-	-
F) PARTICIPATION OF REINSURANCE IN TECHNICAL PROVISIONS	81.77	111.76	187.14	209.56	2,424.89	2,429.43
G) DEFERRED TAX ASSETS	386.35	179.80	183.29	242.88	110.53	92.70
H) CREDITS AND RECEIVABLES	435.65	515.68	1,234.20	1,310.97	1,746.12	1,183.25
I. Receivables on direct insurance and coinsurance operations	357.71	430.47	1,003.91	1,023.39	1,091.39	960.20
II. Receivables on reinsurance operations	15.17	19.05	44.46	50.94	324.05	132.51
III. Tax credits	7.55	10.35	28.38	23.62	31.71	32.92
IV. Corporate and other credits	55.22	55.81	157.45	213.02	298.97	57.62
V. Shareholders, called capital	-	-	-	-	-	-
I) CASH AND BANKS	262.45	472.67	243.12	268.08	293.69	364.37
J) ACCRUAL ADJUSTMENTS	153.46	111.00	415.06	319.80	456.80	409.36
K) OTHER ASSETS	3.48	117.86	38.66	23.26	36.11	50.00
L) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	-	0.07	0.07	0.02	0.22
TOTAL ASSETS BY SEGMENTS	20,191.01	19,591.66	8,152.64	8,470.10	10,405.06	9,343.85

FIGURES IN MILLION EUROS

	REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008
	6.38	5.28	83.52	80.64	519.01	481.58	2,121.04	2,064.86
	-	-	52.64	51.41	533.26	490.22	1,643.85	1,601.29
	6.38	5.28	30.88	29.23	(14.25)	(8.64)	477.19	463.57
	45.80	41.57	274.25	226.55	261.85	119.07	1,536.19	1,292.24
	35.59	33.98	97.13	100.26	244.02	118.82	1,055.55	918.50
	10.21	7.59	177.12	126.29	17.83	0.25	480.64	373.74
	2,420.75	2,158.35	9,103.92	9,106.13	(9,325.48)	(9,040.68)	28,989.94	28,341.86
	31.08	27.50	93.95	53.32	(233.43)	(118.36)	853.43	930.74
	0.46	5.24	26.64	21.09	(34.09)	1.85	924.28	741.14
	1,910.90	1,616.85	258.16	211.90	(45.12)	(41.31)	25,118.15	24,595.28
	29.36	32.58	-	-	(27.66)	(23.85)	1,225.65	939.11
	13.03	11.29	18.80	11.35	(24.06)	176.97	429.24	325.88
	329.36	276.96	-	-	(135.60)	(159.61)	202.63	124.61
	106.56	187.93	8,706.37	8,808.47	(8,825.52)	(8,876.37)	231.56	685.10
	-	-	-	-	-	-	798.68	472.42
	-	-	654.92	687.05	-	-	654.92	687.05
	603.74	636.65	-	-	(813.42)	(821.60)	2,484.12	2,565.80
	12.49	16.79	63.24	46.83	(44.07)	6.62	711.83	585.62
	304.05	230.80	217.13	291.60	(327.05)	(383.39)	3,610.10	3,148.91
	-	-	-	-	-	(1.13)	2,453.01	2,412.93
	274.88	207.22	-	-	(164.89)	(93.79)	493.67	315.93
	8.91	5.45	12.93	16.22	(10.01)	(4.24)	79.47	84.32
	20.26	18.13	204.20	275.38	(152.15)	(284.23)	583.95	335.73
	-	-	-	-	-	-	-	-
	112.89	55.52	262.25	223.97	(313.33)	30.46	861.07	1,415.07
	167.32	158.36	26.00	5.69	5.33	0.06	1,223.97	1,004.27
	0.86	0.74	137.23	153.67	(106.50)	(255.01)	109.84	90.52
	-	1.47	4.06	18.99	-	-	4.15	20.75
	3,674.28	3,305.53	10,826.52	10,841.12	(10,143.66)	(9,682.89)	43,105.85	41,689.37

LIABILITIES AND EQUITY	DIRECT INSURANCE					
	LIFE		MOTOR		OTHERS NON LIFE	
	2009	2008	2009	2008	2009	2008
A) EQUITY	1,450.95	1,342.87	2,593.29	2,687.36	2,409.78	1,851.86
I. Share capital	363.31	394.42	1,664.81	1,803.53	1,257.13	901.36
II. Reserves	689.54	660.1	404.85	763	1,191.82	883.92
III. Treasury stock	-	-	-	-	-	-
IV. Valuation adjustment reserves	148.71	159.62	523.38	360.45	186.70	365.16
V. Translation differences	-	-	-	-	-	-
VI. Retained earnings	31.83	(62.18)	(60.10)	(298.38)	(242.14)	(332.49)
Equity attributable to the controlling Company's shareholders	1,233.39	1,151.96	2,532.94	2,628.60	2,393.51	1,817.95
Minority interests	217.56	190.91	60.35	58.76	16.27	33.91
B) SUBORDINATED LIABILITIES	-	-	-	10.08	10.00	-
C) TECHNICAL PROVISIONS	16,740.90	16,663.73	4,377.83	4,452.51	6,319.28	5,949.63
I. Provisions for unearned premiums and for risks in progress	22.20	124.37	2,340.61	2,236.87	2,512.18	2,255.35
II. Provisions for life assurance	16,226.61	16,028.87	4.79	3.84	91.97	53.03
III. Provisions for outstanding claims	455.06	457.69	2,032.13	2,208.05	3,273.92	3,229.63
IV. Other technical provisions	37.03	52.8	0.30	3.75	441.21	411.62
D) TECHNICAL PROVISIONS FOR LIFE ASSURANCE POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS	798.68	472.42	-	-	-	-
E) PROVISIONS FOR RISKS AND EXPENSES	75.20	78.56	149.13	194.63	127.79	62.12
F) DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE	25.19	21.17	11.66	0.95	120.62	151.34
G) DEFERRED TAX LIABILITIES	459.77	238.45	165.84	194.09	153.73	80.98
H) DEBT	637.02	772.14	822.87	898.48	1,108.33	1,077.43
I. Issuance of debenture bonds and other negotiable securities	-	-	115.77	146.61	26.97	29.81
II. Due to credit institutions	3.55	5.53	32.17	30.11	49.40	48.85
III. Other financial liabilities	293.76	416.84	1.17	0.54	0.21	60.8
IV. Due on direct insurance and coinsurance operations	113.39	104.45	269.52	318.09	307.79	278.28
V. Due on reinsurance operations	14.52	18.43	48.28	33.91	371.91	220.79
VI. Tax payable	70.23	109.93	91.75	177.28	114.61	228.4
VII. Other debts	141.57	116.96	264.21	191.94	237.44	210.5
I) ACCRUAL ADJUSTMENTS	3.30	2.32	32.02	32	155.53	170.49
J) LIABILITIES LINKED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY BY SEGMENTS	20,191.01	19,591.66	8,152.64	8,470.10	10,405.06	9,343.85

FIGURES IN MILLION EUROS

	REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
	2009	2008	2009	2008	2009	2008	2009	2008
	915.24	794.26	7,721.74	7,160.34	(7,997,26)	8,120,32	7,093.75	5,716.37
	256.17	255.97	937.61	905.87	(4,186,77)	(3,986,67)	292.26	274.48
	530.03	475.63	6,118.60	5,702.76	(4,018,66)	(4,369,37)	4,916.18	4,116.04
	-	-	-	-	-	-	-	-
	123.91	109.22	687.52	579.27	(743,37)	(673,03)	926.85	900.69
	-	-	-	-	-	-	-	-
	(4,45)	(55,43)	(25,88)	(38,86)	331,14	398,31	30,40	(389,03)
	905.66	785.39	7,717.85	7,149.04	(8,617,67)	(8,630,76)	6,165.69	4,902.18
	9.58	8.87	3.89	11.3	620.41	510.44	928.06	814.19
	-	-	610.69	713.44	-	-	620.69	723.52
	2,349.72	2,148.31	-	-	(819,27)	(829,38)	28,968.46	28,384.80
	1,134.64	1,045.77	-	-	(383,86)	(376,49)	5,625.77	5,285.87
	137.27	117.63	-	-	(5,85)	(8,15)	16,454.79	16,195.22
	1,051.17	959.55	-	-	(429,56)	(446,06)	6,382.72	6,408.86
	26.64	25.36	-	-	-	1.32	505.18	494.85
	-	-	-	-	-	-	798.68	472.42
	4.46	10.99	107.60	86.48	(59,23)	(116,26)	404.95	316.52
	104.35	117.53	-	-	(135,60)	(159,6)	126.22	131.39
	32.38	32.2	33.12	37.03	25.41	(1,21)	870.25	581.54
	173.68	109.48	2,347.80	2,831.39	(1,157,68)	(636,78)	3,932.02	5,052.14
	-	-	285.27	286.79	-	-	428.01	463.21
	-	-	928.81	1,773.26	-	-	1,013.93	1,857.75
	0.12	0.48	324.87	300.3	(310,26)	(59,99)	309.87	718.97
	-	-	-	-	-	-	690.70	700.82
	124.47	73.76	-	-	(164,89)	(93,81)	394.29	253.08
	17.18	11.93	71.55	15.46	(7,10)	(11,54)	358.22	531.46
	31.91	23.31	737.30	455.58	(675,43)	(471,44)	737.00	526.85
	94.45	92.76	3.66	5.07	(0,04)	0.66	288.92	303.3
	-	-	1.91	7.37	-	-	1.91	7.37
	3,674.28	3,305.53	10,826.52	10,841.12	(10,143,66)	(9,862,89)	43,105.85	41,689.37

E) Financial information by segments - Consolidated income statement for years ended 31 December 2009 and 2008

	LIFE		DIRECT INSURANCE MOTOR		OTHERS NON LIFE	
	2009	2008	2009	2008	2009	2008
I. REVENUES FROM INSURANCE BUSINESS						
1. Premiums in the year, net						
a) Written premiums, direct insurance	3,530.54	3,322.15	4,894.20	4,433.58	5,315.34	5,103.86
b) Premiums from accepted reinsurance	–	–	18.24	20.70	344.50	257.47
c) Premiums from ceded reinsurance	(137.69)	(103.55)	(121.37)	(99.57)	(1,600.23)	(1,552.15)
d) Variation in provisions for unearned premiums and risks in progress, net						
Direct insurance	(62.46)	(47.62)	56.24	(56.37)	(163.20)	(241.83)
Accepted reinsurance	–	–	16.94	14.26	(42.65)	(4.02)
Ceded reinsurance	0.76	4.65	(6.69)	(4.76)	51.35	69.45
2. Sharing in profits in companies recorded by the equity method	–	0.53	7.74	8.32	1.88	2.05
3. Income from investments						
a) From operations	1,158.57	1,323.42	389.31	324.82	346.57	316.95
b) From equity	36.79	81.64	70.09	96.14	73.73	72.27
4. Gains in investments on account of life policyholders bearing the investment risk	65.46	49.91	–	–	–	–
5. Other technical revenues	6.89	5.48	6.57	7.38	26.48	20.72
6. Other non technical revenues	30.15	18.18	91.62	172.74	79.60	60.47
7. Positive translation differences	3.91	18.60	6.82	17.73	21.13	34.49
8. Reversal of the asset impairment provision	–	–	2.96	1.48	15.37	7.43
TOTAL REVENUES FROM INSURANCE BUSINESS	4,632.92	4,673.39	5,432.67	4,936.45	4,469.87	4,147.16
II. EXPENSES FROM INSURANCE BUSINESS						
1. Claims in the year, net						
a) Claims paid and variation in the provision for claims, net						
Direct insurance	(3,609.73)	(3,405.91)	(3,275.06)	(2,919.60)	(3,103.38)	(3,038.10)
Accepted reinsurance	0.02	(0.12)	(19.20)	(29.59)	(202.66)	(186.59)
Ceded reinsurance	76.97	59.70	54.12	124.83	828.04	1,080.27
b) Claim related expenses	(9.78)	(12.58)	(318.23)	(281.57)	(207.54)	(200.37)
2. Variation in other technical provisions, net	187.24	(58.30)	2.62	(1.27)	(39.10)	(40.73)
3. Sharing in profits and premium returns	(24.08)	(43.08)	–	–	(4.17)	(1.52)
4. Net operating expenses						
a) Acquisition expenses	(394.69)	(335.50)	(785.73)	(700.96)	(1,012.67)	(887.49)
b) Administration expenses	(133.13)	(110.02)	(270.40)	(248.08)	(258.99)	(274.19)
c) Commissions and sharing in reinsurance	34.33	34.22	17.20	10.48	220.52	203.47
5. Sharing in losses of companies recorded by the equity method	–	–	–	(5.95)	(8.12)	(4.10)
6. Expenses from investments						
a) From operations	(359.67)	(404.95)	(89.28)	(88.81)	(87.53)	(72.18)
b) From equity and financial accounts	(20.66)	(27.56)	(30.61)	(47.74)	(31.97)	(39.02)
7. Losses in investments on account of life policyholders bearing the investment risk	(39.36)	(87.65)	–	–	–	–
8. Other technical expenses	(9.81)	(12.56)	(5.08)	(16.85)	(92.78)	(92.71)
9. Other non technical expenses	(16.43)	(8.59)	(2.20)	(167.72)	(123.91)	(17.23)
10. Negative translation differences	(3.62)	(0.61)	(4.27)	(5.19)	(24.16)	(21.05)
11. Allowance to the asset impairment provision	(0.31)	(1.21)	(12.03)	(50.27)	(23.43)	(14.01)
TOTAL EXPENSES FROM THE INSURANCE BUSINESS	(4,322.71)	(4,414.72)	(4,738.15)	(4,428.29)	(4,171.85)	(3,605.55)
RESULT FROM THE INSURANCE BUSINESS	310.21	258.67	694.52	508.16	298.02	541.61

FIGURES IN MILLION EUROS

(Continue on the following page)

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2009	2008	2009	2008	2009	2008	2009	2008
(0.01)	0.01	-	-	84.22	-	13,824.29	12,859.60
2,317.41	2,007.03	-	-	(897.65)	(840.03)	1,782.50	1,445.17
(673.05)	(598.68)	-	-	893.79	840.03	(1,638.55)	(1,513.92)
-	-	-	-	(7.72)	8.60	(177.14)	(337.22)
(100.49)	(72.26)	-	-	7.06	2.86	(119.14)	(59.16)
3.53	12.19	-	-	(6.72)	(2.86)	42.23	78.67
0.06	0.35	-	-	(1.79)	(1.55)	7.89	9.70
118.12	96.25	-	-	(7.50)	(7.88)	2,005.07	2,053.56
14.41	13.15	-	-	6.93	(16.87)	201.95	246.33
-	-	-	-	-	-	65.46	49.91
0.01	0.10	-	-	-	(0.24)	39.95	33.44
2.43	2.63	-	-	(124.93)	(195.35)	78.87	58.67
144.12	221.86	-	-	3.51	9.01	179.49	301.69
0.96	0.66	-	-	(14.47)	-	4.82	9.57
1,827.50	1,683.29	-	-	(65.27)	(204.28)	16,297.69	15,236.01
0.68	1.05	-	-	(44.29)	4.34	(10,031.78)	(9,358.22)
(1,306.46)	(1,185.36)	-	-	495.24	511.90	(1,033.06)	(889.76)
330.60	326.44	-	-	(493.82)	(511.90)	795.91	1,079.34
(42.82)	(43.03)	-	-	(0.68)	3.74	(579.05)	(533.81)
(2.14)	(5.76)	-	-	-	(5.35)	148.62	(111.41)
(0.58)	(0.29)	-	-	(0.07)	-	(28.90)	(44.89)
(522.14)	(479.35)	-	-	174.87	183.52	(2,540.36)	(2,219.78)
(23.77)	(17.22)	-	-	3.42	3.28	(682.87)	(646.23)
125.28	130.88	-	-	(180.89)	(174.30)	216.44	204.75
(0.02)	-	-	-	(3.29)	(4.78)	(11.43)	(14.83)
(44.94)	(25.99)	-	-	(7.24)	19.04	(588.66)	(572.89)
(1.20)	(9.58)	-	-	3.73	16.59	(80.71)	(107.31)
-	-	-	-	-	-	(39.36)	(87.65)
(2.53)	(2.90)	-	-	(1.08)	0.59	(111.28)	(124.43)
(4.37)	(5.36)	-	-	113.69	162.95	(33.22)	(35.95)
(149.05)	(197.49)	-	-	(3.02)	(6.00)	(184.12)	(230.34)
-	(1.69)	-	-	13.75	(11.69)	(22.02)	(78.87)
(1,643.46)	(1,515.65)	-	-	70.32	191.93	(14,805.85)	(13,772.28)
184.04	167.64	-	-	5.05	(12.35)	1.491.84	1.463.73

(Continued from previous page)

	LIFE		DIRECT INSURANCE		OTHERS NON LIFE	
	2009	2008	MOTOR 2009	2008	2009	2008
III. OTHER ACTIVITIES						
1. Operating revenues	-	-	-	-	-	-
2. Operating expenses	-	-	-	-	-	-
3. Net financial revenues						
a) Financial revenues	-	-	-	-	-	-
b) Financial expenses	-	-	-	-	-	-
4. Result from minority shareholdings						
a) Sharing in profits of companies recorded by the equity method	-	-	-	-	-	-
b) Sharing in losses of companies recorded by the equity method	-	-	-	-	-	-
5. Reversal of asset impairment provision	-	-	-	-	-	-
6. Allowance to the asset impairment provision	-	-	-	-	-	-
7. Result from the disposal of non current assets classified as held for sale not included under discontinued operations	-	-	-	-	-	-
RESULT FROM OTHER ACTIVITIES		-	-	-	-	-
IV. RESULT ON RESTATEMENT OF FINANCIAL STATEMENTS	-	-	-	-	-	-
V. RESULT BEFORE TAXES OF ONGOING OPERATIONS	310.21	258.67	694.52	508.16	298.02	541.61
VI. TAX ON PROFITS OF ONGOING OPERATIONS	(92.62)	(55.87)	(138.83)	(124.64)	(109.62)	(162.92)
VII. RESULT AFTER TAX OF ONGOING OPERATIONS	217.59	202.80	555.69	383.52	188.40	378.69
VIII. RESULT AFTER TAX OF DISCONTINUED OPERATIONS	-	-	-	-	-	(0.38)
IX. RESULT FOR THE YEAR	217.59	202.80	555.69	383.52	188.40	378.31
1. Attributable to minority shareholders	(68.88)	(43.18)	(32.31)	(23.07)	(1.70)	(13.15)
2. Attributable to the controlling Company	148.71	159.62	523.38	360.45	186.70	365.16

FIGURES IN MILLION EUROS

REINSURANCE		OTHER ACTIVITIES		CONSOLIDATION ADJUSTMENTS		TOTAL	
2009	2008	2009	2008	2009	2008	2009	2008
-	-	836.40	794.82	(303.89)	(292.22)	532.51	502.60
-	-	(834.60)	(755.71)	346.16	232.91	(488.44)	(522.80)
-	-	911.76	788.13	(816.20)	(654.98)	95.56	133.15
-	-	(248.41)	(190.86)	149.53	42.96	(98.88)	(147.90)
-	-	1.24	1.07	(0.74)	(0.57)	0.50	0.50
-	-	(0.01)	-	(49.01)	-	(49.02)	-
-	-	11.53	3.11	-	-	11.53	3.11
-	-	(27.21)	(45.40)	(3.72)	(3.73)	(30.93)	(49.13)
-	-	-	(28.30)	-	28.30	-	-
-	-	650.70	566.86	(677.87)	(647.33)	(27.17)	(80.47)
-	-	-	-	(18.50)	-	(18.50)	-
184.04	167.64	650.70	566.86	(691.32)	(659.68)	1,446.17	1,383.26
(50.42)	(49.11)	39.58	16.90	(55.86)	(9.50)	(407.77)	(385.14)
133.62	118.53	690.28	583.76	(747.18)	(669.18)	1,038.40	998.12
(0.18)	(0.48)	(2.15)	(1.34)	-	-	(2.33)	(2.20)
133.44	118.05	688.13	582.42	(747.18)	(669.18)	1,036.07	995.92
(9.53)	(8.83)	(0.61)	(3.15)	3.81	(3.85)	(109.22)	(95.23)
123.91	109.22	687.52	579.27	(743.37)	(673.03)	926.85	900.69

F) Financial information by geographical areas

1. Consolidated ordinary revenues from external clients in financial years ended 31 december 2009 and 2008

Geographical Area	2009	2008
I. Spain	8,579.06	8,777.98
II. United States of America	1,708.54	1,103.20
III. Brazil	1,747.38	1,478.46
IV. Mexico	415.95	462.64
V. Venezuela	990.67	563.15
VI. Colombia	313.46	265.86
VII. Argentina	443.24	392.52
VIII. Turkey	279.33	305.38
IX. Chile	195.00	176.91
X. Other Countries	1,466.67	1,281.27
Total	16,139.30	14,807.37

FIGURES IN MILLION EUROS

Ordinary revenues means direct insurance and accepted reinsurance premiums, as well as operating revenues from non insurance activities.

2. Non current assets as at 31 december 2009 and 2008

Geographical Area	2009	2008
I. Spain	2,999.98	2,858.30
II. United States of America	248.17	160.93
III. Brazil	190.77	137.66
IV. Mexico	120.10	84.63
V. Venezuela	61.07	39.17
VI. Colombia	29.65	27.95
VII. Argentina	58.58	36.97
VIII. Turkey	45.83	28.92
IX. Chile	54.57	54.77
X. Other Countries	174.22	130.62
Total	3,982.94	3,559.92

FIGURES IN MILLION EUROS

There is no client contributing, on an individual basis, more than 10% of the Group's ordinary revenues.

G) Consolidated annual report

1. General overview on the company and its activity

MAPFRE, S.A. (hereinafter the “controlling Company” or “MAPFRE”) is a listed public limited company, parent of a number of controlled companies engaged in insurance in its various branches, both Life and Non Life, finance, securities and real estate investment, and services.

MAPFRE, S.A. is a subsidiary of CARTERA MAPFRE, S.L., Sociedad Unipersonal (hereinafter CARTERA MAPFRE), which is 100% controlled by FUNDACIÓN MAPFRE.

The scope of activity of the controlling Company and its subsidiaries (hereinafter the “Group” or “MAPFRE GROUP”) includes the Spanish territory, European Economic Area countries, and other countries.

The controlling Company was incorporated in Spain and has its registered office in Madrid, Paseo de Recoletos, 25.

In Spain, the MAPFRE GROUP is structured as follows:

A) CENTRAL SERVICES

These concentrate the technical and administrative functions of insurance management, the creation of new products, the preparation and development of marketing campaigns, as well as the provision of new commercial distribution networks for territorial offices.

B) MAPFRE NETWORK

The extensive and growing territorial network of the MAPFRE GROUP (MAPFRE NETWORK) is divided into thirty nine geographical divisions known as management centres, from which the marketing, operational and administrative activities are coordinated and promoted.

The MAPFRE NETWORK consists of the following:

- Direct Offices: these are serviced by staff from the MAPFRE NETWORK and essentially carry out marketing tasks, issuance of policies, attention to the public, and support to the agents’ network.
- Delegate Offices: they are MAPFRE GROUP offices serviced by a fully captive agent; their work virtually focuses on the sale of the MAPFRE GROUP’s products.
- Agents: the MAPFRE GROUP has a high number of commission agents, who act as brokers in the writing of transactions by virtue of cooperation agreements.

The controlled companies have adapted their internal structure and distribution systems to the peculiarities of the markets where they are active.

The Board of Directors has issued the consolidated annual accounts on 3 February 2010. They are expected to be approved by the General Shareholders Meeting. The Spanish regulations envisage the possibility of modifying the consolidated annual accounts in the event the said governance body did not approve them.

2. Bases of presentation of the annual consolidated financial statements

2.1. BASES OF PRESENTATION

The Group’s consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, with all companies having carried out the required standardisation adjustments.

The annual consolidated financial statements have been prepared on the cost-model basis, except for available-for-sale financial assets, financial assets for trading and derivative financial instruments, which have been recorded at fair value.

There has been no early application of rules and interpretations that, having been approved by the European Commission, were not enforced on the closing date of the 2009 financial year, in particular IAS 27 “Consolidated and separate financial statements” and IFRS 3 “Business combinations”; this notwithstanding, their early adoption would have had no effect on the Group’s financial situation and results.

2.2. FINANCIAL INFORMATION BY SEGMENTS

Section E) of the consolidated financial statements includes financial information by segments.

The controlling Company has identified the following operating segments:

- Life direct insurance
- Motor direct insurance
- Others Non Life direct insurance
- Life and Non Life accepted reinsurance
- Other activities

Revenues and expenses of the first four segments are those corresponding to the Life, Non Life and reinsurance activity, and those included under “Other activities” are those corresponding to property services, securities and real estate asset management, services of attention to the elderly, assistance, etc. In order to identify the operating segments, attention has been paid to the main activities and insurance lines under the Group’s management, taking also into account the quantitative thresholds laid down in the regulations.

The Consolidated Management Report provides additional information on the evolution and characteristics of the business.

2.3 FINANCIAL INFORMATION BY GEOGRAPHICAL AREAS

Section F) of the consolidated annual statements includes financial information by geographical areas.

The established geographical areas are: Spain, United States of America, Brazil, Mexico, Venezuela, Colombia, Argentina, Turkey, Chile and Other Countries.

2.4. CHANGES IN ACCOUNTING POLICIES, CHANGES IN ESTIMATES AND ERRORS

Except as described in Note 2.5, the application of the new Rules and interpretations applicable from 1 January 2009 has had no effect on the Group's accounting policies, financial position or results.

2.5. COMPARISON OF INFORMATION

There are no reasons preventing the comparison of the consolidated annual statements of the current financial year with those of the preceding one.

The enforcement of the new rules and interpretations applicable from 1 January 2009 has had no effect on the Group's accounting policies, financial position or results, except for:

— The revised IAS 1 relating to the presentation of financial statements, which separates changes in equity corresponding to the controlling Company's shareholders from other changes in equity. In addition, the said rule introduces the comprehensive income statement, which includes all items of recognised revenues and expenses, whether in a single statement or in two related statements. As a consequence of this, the structure of the statement of changes in equity and the comprehensive income statement has been modified, including a "Statement of recognised income and expense".

— In relation to the changes introduced by IFRS 8, the Group has determined that the operating segments are the same as the business segments previously identified pursuant to IAS 14 "Financial information by segments".

— The changes introduced by IAS 23 "Borrowing costs" have had no significant effects.

— The new reporting requirements included in IFRS 7 in relation to the classification of financial instruments into different levels according to their measurement and the movements occurred between the different levels have been incorporated in the Consolidated Annual Report.

In addition, and in order to standardise the Group's financial information with respect to the financial statements of the previous year, some of the items corresponding to equity and to the cashflow statement have been grouped.

2.6. CHANGES IN THE CONSOLIDATION PERIMETER

Appendix 1 identifies the companies that were incorporated into the consolidation perimeter in 2008 and 2009, together with details on their equity and results. In addition, Appendix 1 provides a detail of other changes occurred in the consolidation perimeter.

The overall effect of these changes on the consolidatable group's equity, financial situation and results in 2009 and 2008 with respect to the preceding year is described in the relevant notes of the consolidated annual report.

2.7. ACCOUNTING JUDGEMENTS AND ESTIMATES

In the preparation of the consolidated financial statements under IFRS, the controlling Company's Board of Directors has made judgements and estimates based on assumptions on the future and on uncertainties that basically refer to:

- Losses from impairment of certain assets.
- The calculation of provisions for risks and expenses.
- The actuarial calculation of liabilities and post-employment remuneration related commitments.
- The useful life of intangible assets and of property, plant and equipment elements.
- The fair value of certain unlisted assets.

Estimates and assumptions used are regularly reviewed and are based on historical experience and other factors that may have been considered as more reasonable from time to time. If a change in the estimates took place in a given period as a consequence of these reviews, its effect would apply to that period and, if applicable, to subsequent periods.

3. Consolidation

3.1. SUBSIDIARIES, ASSOCIATED UNDERTAKINGS AND JOINT VENTURES

Subsidiaries, associated undertakings and joint ventures included in the consolidation are identified and their details given in the table of shareholdings forming an integral part of the consolidated report as Appendix 1. The said appendix provides a breakdown of the joint ventures included by the proportionate consolidation method.

The configuration of companies as **controlled companies** is determined by the controlling Company holding a majority of the voting rights, directly or through subsidiaries, or, even if not holding half of the said rights, if the controlling Company is able to manage the said companies' financial and operating policies in order to obtain profits from their activities. Controlled companies are consolidated from the date when the Group acquires control, and are excluded from the consolidation on the date when it ceases in such control; therefore, the results relating to the part of the financial year while the said entities belong to the Group are included in the financial statements.

Associated undertakings are those where the controlling Company exercises a significant influence, albeit they are neither controlled companies nor joint ventures.

Significant influence means the power of intervening in the investee company's decisions on financial and operating policies, however without achieving control or joint control over the said policies. A significant influence is assumed to be exercised when the Company holds, either directly or indirectly through its controlled companies, at least 20% in the investee company's voting rights.

Shareholdings in associated undertakings are consolidated by the equity method, including within the value of the shareholding the net goodwill identified on the acquisition date.

When the Group's participation in the losses of an associated undertaking is equal to or higher than the book value of its stake, including any unsecured receivable, the Group does not register additional losses, unless obligations have been incurred or payments have been made on behalf of the associated undertaking.

In order to determine if an investee is a controlled or associated undertaking, account has been taken of both the potential voting rights held and liable of exercise, and the call options on shares, debt instruments convertible into shares or other instruments entailing the possibility of increasing or reducing voting rights.

A **joint venture** is considered to exist when two or more entities undertake an economic activity subject to shared control and regulated by means of a contractual agreement.

Interests in jointly controlled companies are generally recognised in the consolidated financial statements by the proportionate consolidation method.

Excluded from being considered as controlled companies, associated undertakings and joint ventures are the investments made in trust funds and similar undertakings.

The annual financial statements of controlled companies, associated undertakings and joint ventures used for the consolidation are those relating to the financial year closed as at 31 December 2009 and 2008.

3.2. TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES INCLUDED IN THE CONSOLIDATION

The functional and presentation currency of the MAPFRE GROUP is the Euro, therefore the balances and transactions of Group companies whose functional currency is not the Euro are translated into Euros at the closing exchange rate.

The exchange differences resulting from applying the above procedure, as well as those arising from translation of loans and other foreign currency instruments covering investments in foreign operations, have been recorded as a separate component in the "Statement of Recognised Income and Expense" and are shown under equity in the account "Valuation adjustment reserves", deducting the part of the said difference corresponding to Minority Shareholders.

Goodwill and fair value adjustments of assets and liabilities arising from the acquisition of Group companies whose presentation currency is not the Euro are dealt with as assets and liabilities of foreign operations, stating them in the functional currency of the foreign undertaking and translating them at the closing exchange rate.

The financial statements of companies domiciled in countries with high inflation rates or hyperinflationary economies (Venezuela) are adjusted or restated to the effects of changes in prices before their translation into Euros. Inflation

adjustments are made as provided for in IAS 29 "Financial reporting in hyperinflationary economies".

In the income statement, the loss arising from the net monetary position is shown under a separate heading amounting to € 18.5 million. In addition, the restatement of income and expenses in the year entails a loss of € 5.6 million.

Lastly, the mentioned restatement has entailed an increase of € 124.7 million in the Group's equity.

ADJUSTMENTS TO THE OPENING BALANCE

The columns of adjustments to the opening balance appearing in the various tables of the consolidated report include the changes occurred as a result of the application of a different exchange rate for the translation of figures corresponding to overseas subsidiaries.

Variations in the technical provisions recorded on the consolidated income statement differ from those obtained by difference in the balance sheet balances of the present and previous financial year, as a result of the application of a different exchange rate for the translation of figures in the case of overseas subsidiaries.

4. Profits per share and dividends

4.1. PROFITS PER SHARE

The calculation of the basic profits per share, which coincides with the diluted profits per share, there being no dilutive potential ordinary shares, is shown below:

Concept	2009	2008
Net profit attributable to the controlling Company's shareholders (million €)	926.85	900.69
Weighted average number of ordinary shares in issue (million)	2,847.86	2,688.58
Basic profits per share (Euros)	0.33	0.34

The weighted average number of ordinary shares in issue in financial years 2009 and 2008 is affected by the capital increases in the said years as described in Note 6.11.

4.2. DIVIDENDS

The breakdown of the controlling Company's dividends in the last two financial years is as follows:

Concept	Total dividend (in million €)		Dividend per share (in Euros)	
	2009	2008	2009	2008
Interim dividend	200.44	187.38	0.07	0.07
Additional dividend	233.82	219.59	0.08	0.08
Total	434.26	406.97	0.15	0.15

The total dividend for financial year 2009 has been proposed by the Board of Directors and is pending approval by the Ordinary Annual General Meeting.

The planned dividend pay-out complies with the requirements and limitations that are laid down in the legal regulations and the Company's bylaws.

During 2009, the controlling Company has distributed an interim dividend for a total amount of € 200,438,724.85, which is recorded in equity under the heading "Share premium, reserves and interim dividend". The cash statement prepared by the Board of Directors for the distribution is shown below:

Concept	Date of Resolution 26-10-2009
Cash available on the date of the resolution	265.45
Increases in cash forecast within one year	1,177.30
(+) From expected current collection transactions	875.20
(+) From financial transactions	302.10
Decreases in cash forecast within one year	(692.90)
(-) From expected current payment transactions	(48.00)
(-) From expected financial transactions	(644.90)
Cash available within one year	749.85

FIGURES IN MILLION EUROS

5. Accounting policies

The accounting policies applied in relation to the following items are as stated below.

5.1. INTANGIBLE ASSETS

GOODWILL ON MERGER

Goodwill on merger represents the excess of the cost paid in a business combination over the fair value of the assets and liabilities identifiable on the date of the merger.

GOODWILL ON CONSOLIDATION

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the stake in the controlled company's equity on the acquisition date, except for acquisitions made prior to 1 January 2004, where it corresponds to the goodwill, net of depreciation, recorded pursuant to the Spanish regulations applying on the said date. In the case of acquisition of stakes in the controlled company from minority shareholders subsequently to the initial one, the controlling Company has decided to recognise the said excess as a lower amount of reserves.

IMPAIRMENT OF GOODWILL

After its initial recognition and allocation to a cash generating unit, its possible loss in value is assessed at least once a year. When the recoverable value of the said cash generating unit is lower than its net book value, the corresponding loss in value is immediately recognised in the consolidated income statement, and generally no loss is recognised for individual assets not having experienced any impairment.

OTHER INTANGIBLE ASSETS

INTANGIBLE ASSETS ARISING FROM AN INDEPENDENT ACQUISITION

Intangible assets acquired from third parties in a market transaction are valued at cost. If their useful life is finite they are amortised according to it and, if they have an indefinite useful life, they are tested for impairment at least on an annual basis.

INTANGIBLE ASSETS INTERNALLY GENERATED

Research expenses are recognised directly in the income statement in the year when they are incurred. Development expenses are recorded as an asset when their probability, feasibility and future recoverability may be reasonably ensured, and are carried at cost.

Capitalised development expenses are amortised over the period in which revenues or yields are expected to be obtained, without prejudice to the valuation that would be made if impairment occurred.

INTANGIBLE ASSETS ACQUIRED BY EXCHANGE OF ASSETS

Intangible assets acquired are generally recognised at the fair value of the asset given in exchange.

5.2. BUSINESS COMBINATIONS

The cost for the buying entity of a business combination is the fair value of the assets contributed, equity instruments issued and liabilities incurred or assumed on the exchange date, plus any expenses directly attributable to the combination. Assets received and liabilities and contingencies assumed in a business combination are initially recorded at their fair value on the combination date.

Goodwill represents the excess of the cost paid over the acquired percentage of the fair value of assets and liabilities on the combination date.

Once business combinations are accounted for, changes in contingent payments are recorded as a variation in goodwill.

5.3. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTY

Property, plant and equipment, and investment property are carried at cost less accumulated amortisation and, if applicable, accumulated impairment losses.

Costs incurred after the purchase are recognised as an asset only when future economic profits related to them are likely to revert to the Group and the cost of the element may be accurately determined. Other repair and maintenance expenses are debited to the consolidated income statement during the financial year when they are incurred.

Property, plant and equipment, and investment property are amortised on a straight-line basis on the cost of acquisition of the asset less its residual value and less the value of land, based on the following periods of useful life of the different types of assets:

Group of elements	Years	Annual ratio
Buildings and other structures	50-25	2%-4%
Transport elements	6.25	16%
Furniture	10	10%
Fittings	16.6-10	6%-10%
Data processing equipment	4	25%

The residual value and the useful life of the assets are reviewed and adjusted, if required, on the closing date of each financial year.

The elements of property, plant and equipment, and investment property are written off when they are sold or when they are no longer likely to generate future economic profits arising from their continued use. Gains or losses arising from the write-off are accounted for in the consolidated income statement.

5.4. LEASES

FINANCE LEASES

Leases transferring to the lessee all the risks and benefits inherent in the ownership of the leased asset are classified as finance leases. The lessee books the leased asset in its assets at fair value or at the present value of minimum payments under the lease if this figure is lower.

Each lease payment is distributed between the liabilities and financial charges in order to arrive to a constant interest rate on the outstanding balance.

Financial costs are debited to the consolidated income statement.

Assets under finance lease are amortised during the useful life of the leased asset.

OPERATING LEASES

Leases where the lessor retains a significant part of the risks and benefits inherent in the ownership are classified as operating leases. Payments in the concept of operating leases (net of any incentive received from the lessor) are debited to the consolidated income statement on a straight-line basis during the period of the lease.

5.5. FINANCIAL INVESTMENTS

RECOGNITION

Financial assets traded on secondary securities markets are generally recognised on the settlement date.

CLASSIFICATION

Financial investments are classified into the following portfolios:

PORTFOLIO HELD TO MATURITY

This category includes the securities with respect to which there is the intention and proven financial capacity to hold them until their maturity.

PORTFOLIO AVAILABLE FOR SALE

This portfolio includes securities representing debt not falling under "Portfolio held to maturity" or "Trading portfolio" and the equity instruments of entities not being controlled, associated or jointly held businesses and which have not been included in the "Trading portfolio".

TRADING PORTFOLIO

This portfolio includes the financial assets that are originated or acquired with a view to their short-term realisation, which form part of a financial instruments portfolio being jointly identified and managed and which, according to recent experience, may give rise to short term gains.

This portfolio also includes derivative instruments not allocated for hedging purposes and hybrid financial assets stated at fair value.

In the case of hybrid financial assets, which simultaneously include a main contract and a financial derivative, both elements are segregated and dealt with independently to the effects of their classification and valuation. Exceptionally, when the said segregation is not feasible, hybrid financial assets are accounted for at fair value.

VALUATION

On their initial recognition in the balance sheet, all financial investments forming part of the above mentioned portfolios are recognised at the fair value of the consideration delivered, plus, in the case of financial investments not being classified in the "Trading Portfolio", any dealing costs being directly attributable to their purchase.

After the initial recognition, financial investments are stated at fair value, without deducting any dealing cost that might be incurred on their sale or any other type of disposal, with the following exceptions:

- a) Financial investments included in the "Portfolio held to maturity", which are valued at their amortised cost using the effective interest rate method.

The effective interest rate is the restatement rate equalling exactly the initial value of a financial instrument to all its estimated cash flows for all concepts throughout its residual life.

b) Financial assets that are equity instruments and whose fair value may not be accurately estimated, as well as derivatives having the said instruments as underlying asset and that are settled by delivering them, which are valued at cost.

The fair value of financial investments is the price that would be paid for them in an organised and transparent market ("Trading price" or "Market value"). When the said market value is not available, or when the price is not sufficiently representative, the fair value is determined by restating the future financial flows, including the redemption value, at rates equivalent to the interest rates of swaps in Euros, increased or decreased by the differential arising from the issuer's credit quality and standardised according to the issuer's quality and the maturity period.

The fair value of the financial derivatives included in the "Trading portfolio" is taken to be their daily price on the list or the present value of future cash flows if the former is not available.

The book value of financial investments is adjusted by debiting the consolidated income statement when there is objective evidence of an event having occurred that has a negative impact on its future cash flows or on any other circumstance evidencing that the investment cost of an equity instrument is not recoverable. The objective evidence of the impairment is determined on an individual basis for all types of financial instruments.

The amount of impairment losses is equal to the difference between their book value and the present value of their estimated future cash flows. In the case of equity instruments, an individual analysis of investments is carried out in order to determine if they are impaired. In addition, a sign of impairment is deemed to exist when the market value shows an extended decline (18 months) or a significant decline (40%) with respect to its cost. The amount of estimated impairment losses is recognised in the consolidated income statement, including, in addition, any reduction in the fair value of investments previously recognised under "Valuation adjustment reserves".

In the case of financial swaps of exchange of flows, the amounts accrued by the main transactions are recognised, with the amount resulting from flows being accounted for under "Other financial liabilities" or "Corporate and other credits", as the case may be.

5.6. HEDGING TRANSACTIONS

Hedging derivatives are recorded, as they case may be pursuant to their valuation, under the headings of "Other investments" or "Other financial liabilities".

Hedging derivatives are considered those that efficiently eliminate the risks of variations in fair value, alterations in cash flows or variations in the value of the net investment in businesses abroad.

Derivatives for hedging purposes are carried at fair value.

FAIR VALUE HEDGE

The profit or loss arising from the valuation of the hedging instrument and the covered element is recognised in the consolidated income statement, in all cases.

5.7. INVESTMENTS ON ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS BEARING THE INVESTMENT RISK

Investments on account of life policyholders bearing the investment risk are made in securities trust funds and are valued at cost or at subscription or purchase price. The said acquisition cost is adjusted as greater or lower value of the investment, as applicable, according to the net asset value at the closing of the financial year. Revaluations and depreciations of these assets are accounted for as a credit or debit to the consolidated income statement of the Life direct insurance business segment.

5.8. ASSET IMPAIRMENT

At the closing of each financial year, the Group assesses if there are signs that the asset element may have suffered a loss in value. If there are such signs, the recoverable value of the asset is estimated.

In the case of assets not being in operating conditions and of intangible assets with an indefinite useful life, the estimation of the recoverable value is made irrespectively of the existence of impairment signs.

If the book value exceeds the recoverable amount, a loss is recognised for the excess, reducing the book value of the asset down to its recoverable amount.

When there is an increase in the recoverable value of an asset other than goodwill, the previously recognised impairment loss is reversed, increasing the book value of the asset up to its recoverable value. This increase never exceeds the book value net of amortisation that would be accounted for had no impairment loss been recognised in previous years. The reversal is recognised in the consolidated income statement, unless the asset has been already subject to revaluation against "Valuation adjustment reserves", in which case the reversal is treated as a revaluation increase. After this reversal, the amortisation expense is adjusted in the following periods.

5.9. INVENTORIES

Inventories are valued at the lower of their acquisition or production cost and their net realisable value.

The acquisition cost includes the expenses directly attributable to the purchase, as well as an allowance for the overheads incurred for the transformation of inventories and any financial expenses incurred in their acquisition.

The net realisable value is the estimated sale price in the normal course of business, less any variable costs required for their sale.

5.10. CREDITS & RECEIVABLES

Valuation of these assets is generally made at the amortised cost, calculated pursuant to the effective interest rate method and deducting, if applicable, provisions for losses due to any perceived asset impairment.

In the case of credits with maturity beyond one year without the parties having expressly agreed the applicable interest rate, credits are discounted taking as implicit financial interest that in force in the Government Debt securities market with equal or similar term to the maturity of the credits, without prejudice to taking into account the related risk premium.

When there is objective evidence that an impairment loss has been incurred, the relevant provision has been made for the amount deemed not recoverable. The said amount is equal to the difference between the book value of the asset and the present value of future cash flows, discounted at the original effective interest rate of the financial asset. The amount of the loss is recognised in the consolidated income statement of the year.

The impairment loss corresponding to premiums pending collection is calculated separately for each line or risk, is presented in the consolidated income statement as a lower amount of written premiums, and consists of the part of the tariff premium accrued in the year that, according to past experience, is not likely to be collected, taking into account the impact of reinsurance.

Impairment is recognised in the consolidated income statement as an overall amount according to the age of receipts pending collection, or on an individual basis when the circumstances and status of receipts thus require.

Credits on recollection of claims are capitalised only when their realisation is considered as certain.

5.11. CASH AND BANKS

Cash and Banks consists of cash and cash equivalents.

Cash is formed by cash and sight deposits with banks.

Cash equivalents correspond to highly liquid short term investments that can be easily converted into fixed amounts of cash and are subject to insignificant risks as to change in their value, and have maturities shorter than three months (24 hours in the preceding year, but this change has no significant effect).

5.12. ACCRUAL ADJUSTMENTS

The heading "Accrual adjustments" of the assets side basically includes fees and other acquisition expenses corresponding to accrued premiums subject to allocation to the period between the closing date and the expiry of the term of the contracts, with such expenses being those actually borne in the period, with the limit established in the technical bases.

Similarly, the heading "Accrual adjustments" of the liabilities side includes the amounts of fees and other acquisition expenses of ceded reinsurance that are to be allocated in the following year(s) pursuant to the coverage period of ceded policies.

5.13. NON-CURRENT ASSETS HELD FOR SALE AND RELATED LIABILITIES

Assets held for sale, if applicable, are generally stated at the lower of their book value and their fair value deducting sale costs, these understood as any marginal costs directly attributable to the disposal, excluding, if applicable, financial costs and the income tax related expense.

Non-current assets classified as held for sale are not subject to amortisation.

Losses for impairment of their book value are recognised in the consolidated income statement. Similarly, when a recovery in value takes place, this is recognised in the consolidated income statement up to an amount equal to the impairment loss previously recognised.

5.14. FINANCIAL AND SUBORDINATED LIABILITIES

In their initial recognition in the balance sheet, financial and subordinated liabilities are accounted for at their fair value. After this initial recognition, all the said liabilities are valued at their amortised cost, except for those classified as hedged items or as accounting hedging instruments, which follow the criteria and rules that are established in Note 5.6 of hedging transactions.

When financial and subordinated liabilities are written off in the balance sheet, the difference between their book value and the consideration delivered is recognised in the consolidated income statement.

5.15. INSURANCE OPERATIONS

A) PREMIUMS

DIRECT INSURANCE

Premiums from the Non Life business and Life annual renewable contracts are recognised as revenues throughout the validity of the contracts, pursuant to the period of time elapsed. The accrual of premiums is made by allocating the provision for unearned premiums.

Premiums from the long term Life business, whether single premiums or regular premiums, are recognised when the right to collection arises on the part of the contract issuer.

CEDED REINSURANCE

Premiums corresponding to ceded reinsurance are accounted for pursuant to the written reinsurance contracts and under the same criteria as used for direct insurance.

ACCEPTED AND RETROCEDED REINSURANCE

Premiums corresponding to accepted reinsurance are accounted for on the basis of the accounts received from ceding companies.

Retroceded reinsurance transactions are accounted for under the same criteria as accepted reinsurance, and pursuant to the retrocession contracts entered into.

COINSURANCE

Coinsurance transactions are accounted for pursuant to the accounts received from the opening company and the participation in contracts entered into.

B) OTHER ASSETS AND LIABILITIES ARISING FROM INSURANCE AND REINSURANCE CONTRACTS

A) DEPOSIT COMPONENTS IN INSURANCE CONTRACTS

Some Life assurance contracts contain both an insurance component and a deposit component. These two components are not valued separately, since all the rights and obligations arising from the deposit component are recognised.

B) EMBEDDED DERIVATIVES IN INSURANCE CONTRACTS

Some Life assurance contracts contain embedded derivatives, essentially consisting of guaranteed redemption values and maturity values. The embedded derivative is not valued separately from the main insurance contract because it meets the conditions to be classified as an insurance contract, with their embedded value being valued jointly with the main contract pursuant to IFRS 4.

C) INSURANCE CONTRACTS ACQUIRED IN BUSINESS COMBINATIONS OR PORTFOLIO TRANSFERS

Insurance contracts acquired in a business combination or portfolio transfer are stated at fair value and recognised in the balance sheet as follows:

a) The liabilities arising from the insurance contracts are accounted for pursuant to IFRS 4;

b) An intangible asset is accounted for, representing the difference between:

— the fair value of the rights acquired and the rest of assumed contractual obligations, and

— the amount described in section a) above.

This intangible asset is amortised by the straight line method according to the estimated life of the contracts.

D) CAPITALISATION OF ACQUISITION FEES AND EXPENSES

Acquisition fees and expenses directly related to new production sales are not capitalised in any case, being taken to the consolidated income statement in the financial year when they are incurred.

C) TECHNICAL PROVISIONS

The main assumptions and methods used in the allowance of provisions are detailed below.

A) DIRECT INSURANCE OF COMPANIES BELONGING TO THE EUROPEAN ECONOMIC AREA

Provision for unearned premiums

The provision for unearned premiums is calculated on an individual policy basis and includes the tariff premium accrued in the financial year, having deducted the security surcharge.

Provision for risks in progress

The provision for risks in progress is calculated on an individual business line basis and supplements the provision for unearned premiums for the amount not showing the valuation of risks and expenses to be covered corresponding to the coverage period not elapsed at the closing date.

For the motor business, the calculation of this provision has been made considering all the guarantees covered with the products marketed by the different companies.

Provision for Life assurance

— In Life assurance policies with a coverage period equal to or shorter than one year, the provision for unearned premiums is calculated on a policy by policy basis and reflects the tariff premium accrued in the year subject to allocation to future financial years.

When this provision is not sufficient, the provision for risks in progress is calculated also in order to cover the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the year's closing date.

— In life assurance policies with a coverage period exceeding one year, the mathematical reserve has been calculated on a policy by policy basis as the difference between the current actuarial value of the future obligations of the controlled companies operating in this line, and those of the policyholder or insured party. The calculation basis is the inventory premium accrued in the year, represented by the pure premium plus the surcharge for administration expenses, both determined using the best estimates for mortality, illness, investment yields and administration expenses upon issuance of the contracts, as detailed in the technical bases of the relevant products and types, and remaining unchanged throughout the life of the contract unless their inadequacy becomes evident, in which case the calculation of the mathematical reserve would be changed.

Written policies having a profit sharing clause in force at the closing of each year share, pro rata to their mathematical reserves and as specifically laid down in each contract, in the net yields obtained by the investments allocated to covering the said provisions. The amount of this profit sharing is recorded as a greater amount of mathematical reserves.

— This balance sheet heading also includes the provision for profit sharing and for premium returns. This provision includes the amount of profits accrued in favour of policyholders, insured persons or beneficiaries and the premiums that must be reimbursed to policyholders.

Provision for outstanding claims

It represents the estimate valuation of outstanding claims arising from occurrences prior to the closing of the financial year, deducting interim payments effected. It includes the valuations of claims pending settlement or payment and pending to be reported, as well as the internal and external expenses relating to the liquidation of losses; in addition, in the Life Assurance business, it includes maturities and redemptions pending payment. In the Spanish companies, its calculation is made including, if applicable, additional provisions for the deviation in the valuation of claims subject to long handling periods.

Other technical provisions

The most significant provision included under this heading is the Death Insurance provision, which is calculated on a policy by policy basis, as the difference between the current actuarial value of future obligations of the controlled companies operating in this line and those of the policyholder or insured party.

For certain portfolios, the Death Insurance provision is calculated by means of methods based on group capitalisation, with a financial-actuarial restatement being made of projected flows of premiums and expected claims up to the expiry of the collective insurance.

Technical provisions relating to life insurance when the investment risk is borne by the policyholders

The provisions for Life assurance where it has been contractually agreed that the investment risk will be fully borne by policyholders, have been calculated on a policy by policy basis, and they are valued according to the assets specifically allocated to determine the value of the rights.

B) DIRECT INSURANCE OF ENTITIES NOT BELONGING TO THE EUROPEAN ECONOMIC AREA

Technical provisions are calculated pursuant to the local criteria in force in each country, except in the cases when their application could distort the true and fair image that must be given by the financial statements, in which case the controlling Company's criteria have been adopted.

Life assurance provisions have been calculated using the operational assumptions, mortality tables and technical interest rate usual in the sector in the respective countries.

C) CEDED REINSURANCE

Technical provisions for cessions to reinsurers are shown in the balance sheet assets and are calculated according to the reinsurance agreements entered into and under the same criteria as used for direct insurance.

D) ACCEPTED REINSURANCE

Provision for unearned premiums

Accepted reinsurance transactions are accounted for on the basis of the accounts received from ceding companies. If the ceding company's latest accounts are not available at the balance sheet closing, the balance of other received accounts is considered as provisions for unearned premiums of non closed accounts, in order not to recognise results in the recording of such accounts. Exceptionally, if these provisions of non closed accounts were negatively affected by the recording of major claim payments, because of their being an actual loss not subject to being offset by movements of non closed accounts, the provision is adjusted for the relevant amount.

When the latest account and report on outstanding claims are available, the cancellation is made of provisions of non closed accounts, allocating the corresponding provisions for unearned premiums according to the information provided by the ceding company, and accruing them on a policy by policy basis. Failing this, the amount recorded for unearned premiums is the amount of the deposit of premiums withheld on this concept and, lastly, an overall method for the accrual of premiums may be used.

Acquisition expenses, as notified by ceding companies, are accrued under the heading of "Accrual adjustments" in the balance sheet assets, with these expenses corresponding to those actually borne in the period. When ceding companies do not notify the amounts, acquisition expenses are accrued on a risk by risk basis for facultative proportional reinsurance and overall for the rest of the proportional business.

Provision for risks in progress

This is calculated on an individual business line basis and supplements the provision for unearned premiums for the amount not showing the valuation of risks and expenses to be covered, corresponding to the coverage period not elapsed at the closing date.

Provision for outstanding claims

Provisions for claims are allocated for the amounts notified by the ceding company or, failing this, for withheld deposits, and include complementary provisions for claims existing and not reported, as well as for deviations in existing ones, in accordance with the company's own experience.

E) RETROCEDED REINSURANCE

Retroceded reinsurance transactions and their corresponding technical provisions are recorded following the same criteria as for accepted reinsurance and according to the retrocession agreements entered into.

F) LIABILITIES ADEQUACY TEST

Technical provisions existing in the books are periodically submitted to a reasonability test in order to determine their adequacy on the basis of the projections of all future cash flows of existing contracts. Recorded provisions are adjusted against the results of the financial year if it becomes evident that they are inadequate, as a consequence of the test.

G) SHADOW ACCOUNTING

In order to mitigate the accounting asymmetries arising from applying different valuation methods for assets and liabilities, IFRS allow the so-called "shadow accounting", in such a way that unrealised losses or gains in the relevant assets are recognised in the valuation of technical provisions, up to the limit of the amounts assumed by the policyholder.

D) CLAIMS

The estimated cost of claims, both of the Life and the Non Life business, is recognised on the date of occurrence of events, accounting for all necessary expenses to be incurred up to the settlement of the claim.

For claim events occurred prior to the end of each financial year but not reported, the best estimate of their cost is recognised based on historical experience, through the provision for claims pending declaration.

Payments of claims are made against the previously recognised provision.

Claims corresponding to accepted reinsurance are accounted for on the basis of the accounts received from ceding companies.

Claims corresponding to ceded and retroceded reinsurance are accounted for according to the reinsurance contracts entered into, and under the same criteria as those used for direct insurance and accepted reinsurance, respectively.

E) SIGNIFICANT ASSUMPTIONS AND OTHER SOURCES OF ESTIMATION OF UNCERTAINTIES

With respect to assets, liabilities, revenues and expenses arising from insurance contracts, as a general rule, the assumptions that were used as basis for the issuance of the said contracts are as specified in the technical bases.

Generally, the estimates and assumptions used are periodically revised and are based on historical experience and other factors that may have been considered as reasonable from time to time. When, as a result of these revisions, a change in estimates takes place in a given period, its effect would be applied in that period and, if applicable, in the subsequent ones.

The main assumption is based on the performance and development of claims, using their frequency and costs in the past few years. Likewise, estimates take into account assumptions on interest rates and exchange rates, delays in the payment of claims and any other external factor that might affect estimates.

As regards liabilities, assumptions are based on the best possible estimate at the time of issuing the contracts. Nevertheless, the relevant provisions would be established in order to cover any proven inadequacy, should this emerge.

The calculation of technical provisions does not use discount techniques for the valuation of future flows, except for the mathematical reserves in the Life business and provisions for death in Direct Insurance.

Throughout the year, no significant changes have taken place in the assumptions used to value liabilities arising from insurance contracts.

F) IMPAIRMENT

When there is objective evidence that an impairment loss has taken place, the general valuation criterion mentioned in Note 5.10, Credits and Receivables, is applied.

5.16. PROVISIONS FOR RISKS AND EXPENSES

Provisions are recognised when the present obligation (either actual or construed) exists as a result of a past event and a reliable estimate of the amount of the obligation may be made.

When a provision is expected to be recovered, partly or fully, the reimbursement is recognised as a separate asset.

5.17. DEBT

The valuation of the items included under the heading "Debt" is generally made at amortised cost, using the effective interest rate method.

In the case of debt with maturity beyond one year, if the parties have not expressly agreed the applicable interest rate, debts are discounted taking as implicit financial interest that in force in the public debt market for securities with the same or similar term to the maturity of the debts, without prejudice to taking into account the relevant risk premium.

5.18. GENERAL CRITERION ON REVENUES AND EXPENSES

The general principle applicable to the recognition of revenues and expenses is the accrual criterion, pursuant to which the allocation of revenues and expenses is made according to the actual flow of goods and services represented by them, irrespectively of the date of the monetary or financial flow arising from them.

5.19. REMUNERATION TO STAFF

Remuneration to staff may be short term, post-employment benefits, termination payments, share-based payments and other long term types.

A) SHORT TERM REMUNERATION

This is recorded according to the services provided by employees, on an accrual basis.

B) POST-EMPLOYMENT BENEFITS

It essentially consists of defined contribution plans and defined benefit plans.

DEFINED CONTRIBUTION PLANS

These are post-employment benefit plans in which the entity involved makes pre-determined contributions to a separate entity (whether related or alien to the Group) and has no legal or implicit obligation of making additional contributions, should there be an insufficiency of assets to honour the payment of benefits. Therefore, the obligation solely consists of making the contribution that is agreed to a fund, and the amount of benefits to be received by employees is determined by the contributions made plus the return obtained on the investments where the fund is materialised.

DEFINED BENEFIT PLANS

These are post-employment benefit plans differing from those with defined contribution.

The liability recognised in the balance sheet in relation to defined benefit pension plans, recorded under the mathematical reserves heading, is equal to the present value of the defined benefit obligation on the balance sheet date, deducting, if applicable, the fair value of the assets allocated to the plan.

The obligation on the defined benefit is determined separately for each plan, using the actuarial valuation method of projected credit unit.

Actuarial losses and gains arising are debited or credited to the consolidated income statement in the financial year when they take place.

In the present financial year, the defined benefit plans corresponding to all working staff have been liquidated, recognising as result in the year the changes in the present value of the committed remuneration, the variations in the fair value of redemption rights as well, when applicable, as actuarial losses and gains and unrecognised costs for past services. The defined benefit plans remaining in the balance sheet are those corresponding to the retired members of staff that elected to receive the benefit in the form of a for life annuity.

C) TERMINATION PAYMENTS

Termination payments are recognised as a liability and as an expense when there is a demonstrable intention of termination of the labour relationship before the normal retirement date of employees, or when there is an offer to encourage the voluntary termination of labour contracts.

D) SHARE-BASED PAYMENTS

The MAPFRE Group has granted some of its officers an incentive plan that is benchmarked to the MAPFRE, S.A. share value.

At the initial date when it is awarded, the mentioned plan is valued according to an option valuation method. The allocation of the valuation to results is made to the staff expenses item during the period of time established as requirement for the employee to qualify to its exercise, and a liability in favour of the employee is recognised as counterpart.

Every year, a re-estimate will be made of the initial valuation, recognising in the year's results the portion corresponding to the said year and the portion arising from the said re-estimate corresponding to previous years.

This is a revocable plan, being linked to the officer's remaining in employment with the Group.

E) OTHER LONG TERM REMUNERATION

The accounting record of other long term remuneration elements except for those described in the preceding paragraphs follows the above mentioned principles, except for the cost of past service, which is recognised immediately.

5.20. REVENUES AND EXPENSES FROM INVESTMENTS

Revenues and expenses from investments are classified between operations and equity according to their origin, if they are allocated to covering technical provisions or they materialise shareholders' equity, respectively.

Revenues and expenses from financial investments are accounted for according to the portfolio in which they are classified, pursuant to the following criteria:

A) TRADING PORTFOLIO

Changes in fair value are directly accounted for in the income statement, differentiating the portion attributable to yields, which is recorded as interest or, if applicable, as dividends, and the portion that is recorded as realised and unrealised results.

B) PORTFOLIO HELD TO MATURITY

Changes in fair value are recognised when the financial instrument is disposed of and in case of impairment.

C) PORTFOLIO AVAILABLE FOR SALE

Changes in fair value are recognised directly in the company's equity until the financial asset is written off or impairment is perceived, at which time they are recorded in the income statement.

In all cases, the interest from financial instruments is recorded in the consolidated income statement using the effective interest rate method.

5.21. RECLASSIFICATION OF EXPENSES BY FINAL NATURE AND ALLOCATION TO ACTIVITY SEGMENTS

The criteria followed for the reclassification of expenses according to their final nature are mainly based on the function fulfilled by each employee, with their direct and indirect cost being distributed pursuant to the said function.

As regards expenses not directly or indirectly related to staff, individual studies are carried out, and they are allocated according to the function fulfilled by the said expenses.

The established destinations are as follows:

- Expenses to be allocated to benefits
- Expenses to be allocated to investments
- Other technical expenses
- Other non technical expenses
- Acquisition expenses
- Administration expenses
- Operating expenses from other activities

Expenses have been allocated to the following segments, according to the business line having originated them:

- Direct insurance Life
- Direct insurance Motor
- Direct insurance Others Non Life
- Accepted reinsurance Life and Non Life
- Other activities

5.22. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCIES

Transactions in foreign currencies, other than in reinsurance, are translated into Euros at the exchange rate prevailing on the transaction date.

Reinsurance transactions in foreign currencies are recorded at the exchange rate established at the beginning of each quarter in the year. Later on, upon the closing of each quarter, they are all dealt with as a single transaction, translating the amount at the exchange rate prevailing on that date and recording the corresponding difference in the consolidated income statement.

At year end, existing balances denominated in foreign currencies are translated at the exchange rate of the Euro prevailing on that date, with all exchange differences being taken to the consolidated income statement, except those directly allocated to "Valuation adjustment reserves", which are those arising from the monetary items that form part of the net investment in a foreign operation and from the non monetary ones stated at fair value, where changes in valuation are directly recognised in equity.

5.23. INCOME TAX

Income tax that is considered as an expense in the year is recorded as such in the consolidated income statement, and includes both the tax charge for the current tax and the effect corresponding to the movement in deferred tax.

For its determination, the liability method based on the balance sheet is used, according to which the relevant deferred tax assets and liabilities are recorded as may be necessary to correct the effect of temporary differences, which are the differences existing between the book value of an asset or a liability and that representing its tax valuation.

Likewise, long term deferred assets and liabilities are valued according to the rates that shall apply in the financial years when assets and liabilities are expected to be realised or paid, respectively.

Temporary differences may be "Taxable temporary differences", which give rise to a higher amount of taxes payable in the future and which generally entail the recognition of a deferred tax liability, or "Deductible temporary differences", which give rise to a lower amount of taxes payable in the future and, to the extent they may be recoverable, to recording a deferred tax asset.

On the other hand, income tax related to items where modifications in valuation are directly recognised in equity are not allocated to the consolidated income statement but to equity, with the valuation changes being recorded in the said assets, net of the tax effect.

6. Breakdown of financial statements

6.1. INTANGIBLE ASSETS

The following tables detail the movement of this heading in the past two years:

FINANCIAL YEAR 2009						
Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions or appropriations	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	1,636.32	14.60	31.73	–	(0.05)	1,682.60
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	368.36	(4.23)	–	–	–	364.13
Computer applications	219.83	14.40	0.26	42.52	(14.98)	262.03
Others	26.69	(13.97)	9.46	29.93	(4.12)	47.99
TOTAL COST	2,251.20	10.80	41.45	72.45	(19.15)	2,356.75
ACCUMULATED AMORTISATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(23.36)	(0.90)	–	(18.49)	–	(42.75)
Computer applications	(112.36)	(4.85)	(0.01)	(24.13)	5.07	(136.28)
Others	(15.55)	(1.25)	(0.04)	(3.12)	2.07	(17.89)
TOTAL ACCUMULATED AMORTISATION	(151.27)	(7.00)	(0.05)	(45.74)	7.14	(196.92)
IMPAIRMENT						
GOODWILL	(35.03)	–	–	(3.72)	–	(38.75)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	–	–	–	–	–	–
Computer applications	–	–	–	–	–	–
Others	(0.04)	–	–	–	–	(0.04)
TOTAL IMPAIRMENT	(35.07)	–	–	(3.72)	–	(38.79)
TOTAL GOODWILL	1,601.29	14.60	31.73	(3.72)	(0.05)	1,643.85
TOTAL OTHER INTANGIBLE ASSETS	463.57	(10.80)	9.67	26.71	(11.96)	477.19
TOTAL INTANGIBLE ASSETS	2,064.86	3.80	41.40	22.99	(12.01)	2,121.04

FIGURES IN MILLION EUROS

The amounts shown as changes in the perimeter of financial year 2009 mainly arise from the acquisition of interests in the entities ASEGURADORA MUNDIAL y MUNDIAL DESARROLLO, whose goodwill amounts to € 21.46 million and € 3.03 million, respectively.

FINANCIAL YEAR 2008

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions or appropriations	Disposals, cancellations or reductions	Closing balance
COST						
GOODWILL	1,040.48	-	720.48	1.60	(126.24)	1,636.32
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	88.78	(2.07)	99.27	193.54	(11.16)	368.36
Computer applications	189.41	(19.00)	29.10	86.45	(66.13)	219.83
Others	21.16	-	7.51	10.06	(12.04)	26.69
TOTAL COST	1,339.83	(21.07)	856.36	291.65	(215.57)	2,251.20
ACCUMULATED AMORTISATION						
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	(9.57)	1.89	-	(15.68)	-	(23.36)
Computer applications	(110.42)	5.72	(11.71)	(21.93)	25.98	(112.36)
Others	(8.53)	-	(3.93)	(6.39)	3.30	(15.55)
TOTAL ACCUMULATED AMORTISATION	(128.52)	7.61	(15.64)	(44.00)	29.28	(151.27)
IMPAIRMENT						
GOODWILL	(23.55)	-	-	(12.20)	0.72	(35.03)
OTHER INTANGIBLE ASSETS						
Portfolio acquisition expenses	-	-	-	-	-	-
Computer applications	-	-	-	-	-	-
Others	(0.04)	-	-	-	-	(0.04)
TOTAL IMPAIRMENT	(23.59)	-	-	(12.20)	0.72	(35.07)
TOTAL GOODWILL	1,016.93	-	720.48	(10.60)	(125.52)	1,601.29
TOTAL OTHER INTANGIBLE ASSETS	170.79	(13.46)	120.24	246.05	(60.05)	463.57
TOTAL INTANGIBLE ASSETS	1,187.72	(13.46)	840.72	235.45	(185.57)	2,064.86

FIGURES IN MILLION EUROS

The amounts shown as changes in the perimeter of financial year 2008 mainly arise from the acquisition of interests in the entities THE COMMERCE GROUP, INC (hereinafter COMMERCE), UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A. (hereinafter DUERO VIDA) and DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A. (hereinafter DUERO PENSIONES), whose goodwill amounts to € 635.48 million, € 70.12 million and € 13.38 million, respectively; and their portfolio acquisition expenses amount to € 31.20 million, € 52.90 million and € 15.17 million, respectively.

Additions of portfolio acquisition expenses arise from the final allocation of fair value of the assets identified of the stakes in GENEL SIGORTA, BANKINTER SEGUROS DE VIDA, S.A. DE SEGUROS Y REASEGUROS (hereinafter BANKINTER VIDA) and in CCM VIDA Y PENSIONES DE SEGUROS Y REASEGUROS SOCIEDAD ANÓNIMA (hereinafter CCM VIDA Y PENSIONES) acquired in 2007, for an amount of € 43.99 million, € 90.77 million and € 58.78 million, respectively.

Cancellations in goodwill mainly arise from exchange differences in goodwill in foreign currency (COMMERCE, GENEL SIGORTA, MAPFRE NOSSA CAIXA VIDA E PREVIDENCIA, S.A. and others for a lower amount) and from the final allocation of the purchase price of the GENEL SIGORTA stake.

Portfolio acquisition expenses are amortised over the life of the portfolios and depending upon their being maintained.

A breakdown is shown below of the useful life and amortisation rates used for the following intangible assets, having adopted in all cases the straight-line method of amortisation.

Group of elements	Useful life (years)	Amortisation rate (annual)
Computer applications	4	25%
Rights of use of administrative concessions	57	1.75%

The amortisation of intangible assets with finite useful life has been recorded in the expenses account "Amortisation allowances".

The useful life of the following intangible assets is considered indefinite, as the said assets are expected to contribute to obtaining future revenues for the Group, indefinitely:

Element	Book Value	
	31/12/2009	31/12/2008
Goodwill on consolidation	1,525.77	1,483.21
Goodwill on merger	118.08	118.08

FIGURES IN MILLION EUROS

The following table provides detailed information on the cash generating units to which the different goodwill items are allocated, as well as their book value and, if applicable, the impairment amount over the last two years.

Concept	Cash generating unit	Financial year 2008			Financial year 2009			
		Balance 31.12.2007	Entries/ (cancellations)	Impairment in the period	Balance 31.12.2008	Entries/ (cancellations)	Impairment in the period	Balance 31.12.2009
Consolidation goodwill								
MAPFRE VIDA	Life Assurance (Spain and Portugal)	212.57	-	-	212.57	-	-	212.57
MAPFRE EMPRESAS	Business Insurance	40.17	-	-	40.17	-	-	40.17
GRUPO CORPORATIVO LML	Non Life Insurance (Mexico)	22.26	-	-	22.26	-	-	22.26
BRICKELL FINANCIAL SERVICES	Travel Assistance (U.S.A.)	17.65	-	-	17.65	-	-	17.65
MAPFRE AMÉRICA	Non Life Assurance (America)	30.50	-	-	30.50	-	-	30.50
MAPFRE WARRANTY	Guarantees	11.08	-	-	11.08	-	-	11.08
MAPFRE NOSSA CAIXA	Life Assurance (Brazil)	85.51	(17.10)	-	68.41	20.09	-	88.50
ABRAXAS	Travel Assistance (UK)	16.62	-	-	16.62	-	-	16.62
GENEL SIGORTA	Insurance (Turkey)	150.69	(77.78)	-	72.91	(0.12)	-	72.79
BANKINTER VIDA	Life Assurance (Spain)	160.45	-	-	160.45	-	-	160.45
CCM VIDA Y PENSIONES	Life Assurance and Pensions (Spain)	89.51	1.00	-	90.51	-	-	90.51
COMMERCE	Non Life Insurance (U.S.A.)	-	618.33	-	618.33	(5.80)	-	612.53
DUERO VIDA	Life Assurance (Spain)	-	70.12	-	70.12	-	-	70.12
DUERO PENSIONES	Pension Fund Manager (Spain)	-	13.38	-	13.38	-	-	13.38
ASEGURADORA MUNDIAL	Insurance (Central America)	-	-	-	-	21.46	-	21.46
Others	-	61.84	(12.11)	(11.48)	38.25	10.65	(3.72)	45.18
Total consolidation goodwill		898.85	595.84	(11.48)	1,483.21	46.28	(3.72)	1,525.77
Merger goodwill								
MAPFRE FINISTERRE	Death insurance (Spain)	87.93	-	-	87.93	-	-	87.93
ASEICA	Medical assistance (Canary Islands)	12.73	-	-	12.73	-	-	12.73
Others	-	17.42	-	-	17.42	-	-	17.42
Total merger goodwill		118.08	-	-	118.08	-	-	118.08
Total goodwill		1,016.93	595.84	(11.48)	1,601.29	46.28	(3.72)	1,643.85
Goodwill in associated undertakings								
IBERICAR	Services (Spain)	10.29	-	-	10.29	-	-	10.29
MIDDLESEA INSURANCE	Insurance (Southern Europe)	6.00	-	-	6.00	-	-	6.00
Others	-	1.68	(0.29)	-	1.39	-	-	1.39
Total goodwill in associated undertakings (equity method) (*)		17.97	(0.29)	-	17.68	-	-	17.68

FIGURES IN MILLION EUROS

(*) Goodwill related to acquisitions of associated undertakings is stated as a greater value of investments accounted for pursuant to the equity method.

The book value, net of any impairment, of each of the above described goodwill items is, in all cases, equal to or lower than the amount recoverable from the cash generating unit to which they are allocated, which has been determined according to its use value, calculated on the basis of cash flow projections.

The discount rate applied to the said projections is based on the interest rates of the geographical market where each cash-generating unit operates, which ranges, after tax, between 2.65% and 8.96% in 2009 and between 2.72% and 11.74% in 2008, and to which a risk premium has been added according to the unit's type of activity.

The resulting discount rate applied in the most significant cases has been as follows:

Goodwill	Discount Rate after Tax	
	2009	2008
COMMERCE	7.14%	7.52%
MAPFRE VIDA, BANKINTER VIDA, CCM VIDA Y PENSIONES, DUERO VIDA Y DUERO PENSIONES	6.27%	6.20%
MAPFRE EMPRESAS	9.00%	7.20%
MAPFRE NOSSA CAIXA	12.46%	12.85%
MAPFRE FINISTERRE	9.00%	9.50%
GENEL SIGORTA	13.96%	16.24%

Projections corresponding to the first five years take into account growth rates of the flows based on historical experience, while for the following years constant flows are considered.

6.2. PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTY

PROPERTY, PLANT AND EQUIPMENT

The following tables detail the movement of this heading in the last two years:

FINANCIAL YEAR 2009

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market value
COST							
PROPERTY FOR OWN USE							
Land and natural resources	86.45	0.51	4.39	62.95	(21.07)	133.23	173.99
Buildings and other structures	925.45	1.35	16.57	165.53	(60.21)	1,048.69	1,612.54
OTHER PROPERTY, PLANT AND EQUIPMENT							
Transport elements	163.90	3.17	118.28	68.53	(102.73)	251.15	156.19
Furniture and fittings	390.97	6.99	0.94	40.76	(13.21)	426.45	213.74
Other property, plant and equipment	157.25	5.34	-	61.35	(20.78)	203.16	109.29
Advances and fixed assets in progress	1.42	(0.62)	0.09	1.06	(0.56)	1.39	1.42
TOTAL COST	1,725.44	16.74	140.27	400.18	(218.56)	2,064.07	2,267.17
ACCUMULATED AMORTISATION							
PROPERTY FOR OWN USE							
	(93.07)	(10.25)	(1.93)	(19.87)	0.97	(124.15)	-
OTHER PROPERTY, PLANT AND EQUIPMENT							
	(334.75)	(10.36)	(35.72)	(59.35)	45.76	(394.42)	-
TOTAL ACCUMULATED AMORTISATION	(427.82)	(20.61)	(37.65)	(79.22)	46.73	(518.57)	-
IMPAIRMENT							
PROPERTY FOR OWN USE							
Land and natural resources	-	-	-	-	-	-	-
Buildings and other structures	(0.33)	(0.20)	-	(2.00)	0.31	(2.22)	-
OTHER PROPERTY, PLANT AND EQUIPMENT							
Transport elements	(0.48)	0.01	-	(1.45)	-	(1.92)	-
Furniture and fittings	(1.35)	0.09	-	(0.58)	0.08	(1.76)	-
Other property, plant and equipment	(3.22)	(0.19)	-	-	-	(3.41)	-
TOTAL IMPAIRMENT	(5.38)	(0.29)	-	(4.03)	0.39	(9.31)	-
TOTAL PROPERTY FOR OWN USE	918.50	(8.59)	19.03	206.61	(80.00)	1,055.55	1,786.53
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	373.74	4.43	83.59	110.32	(91.44)	480.64	480.64
TOTAL PROPERTY, PLANT & EQUIPMENT	1,292.24	(4.16)	102.62	316.93	(171.44)	1,536.19	2,267.17

FIGURES IN MILLION EUROS

The main additions in 2009 mainly arise from transfers and from the purchase of buildings by MAPFRE FAMILIAR.

FINANCIAL YEAR 2008

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market value
COST							
PROPERTY FOR OWN USE							
Land and natural resources	90.51	(9.15)	3.52	16.14	(14.57)	86.45	99.84
Buildings and other structures	981.00	3.63	45.99	107.81	(212.98)	925.45	1,467.13
OTHER PROPERTY, PLANT AND EQUIPMENT							
Transport elements	180.54	(3.10)	1.47	61.45	(76.46)	163.90	105.05
Furniture and fittings	366.36	(10.80)	10.69	64.41	(39.69)	390.97	220.05
Other property, plant and equipment	177.29	(3.75)	26.45	24.59	(67.33)	157.25	49.70
Advances and fixed assets in progress	1.51	(0.36)	-	0.79	(0.52)	1.42	1.25
TOTAL COST	1,797.21	(23.53)	88.12	275.19	(411.55)	1,725.44	1,943.02
ACCUMULATED AMORTISATION							
PROPERTY FOR OWN USE							
	(98.85)	0.30	(12.80)	(13.91)	32.19	(93.07)	-
OTHER PROPERTY, PLANT AND EQUIPMENT							
	(349.17)	10.72	(34.92)	(65.53)	104.15	(334.75)	-
TOTAL ACCUMULATED AMORTISATION	(448.02)	11.02	(47.72)	(79.44)	136.34	(427.82)	-
IMPAIRMENT							
PROPERTY FOR OWN USE							
Land and natural resources	-	-	-	-	-	-	-
Buildings and other structures	(3.63)	2.04	-	(0.23)	1.49	(0.33)	-
OTHER PROPERTY, PLANT AND EQUIPMENT							
Transport elements	(0.77)	-	-	(0.04)	0.33	(0.48)	-
Furniture and fittings	(1.50)	(0.67)	-	(0.04)	0.86	(1.35)	-
Other property, plant and equipment	(3.21)	(0.01)	-	-	-	(3.22)	-
TOTAL IMPAIRMENT	(9.11)	1.36	-	(0.31)	2.68	(5.38)	-
TOTAL PROPERTY FOR OWN USE	969.03	(3.18)	36.71	109.81	(193.87)	918.50	1,566.97
TOTAL OTHER PROPERTY, PLANT & EQUIPMENT	371.05	(7.97)	3.69	85.63	(78.66)	373.74	376.05
TOTAL PROPERTY, PLANT & EQUIPMENT	1,340.08	(11.15)	40.40	195.44	(272.53)	1,292.24	1,943.02

FIGURES IN MILLION EUROS

The main additions in 2008 arise from the acquisition of buildings by MAPFRE FAMILIAR.

The main cancellations in 2008 include the transfer to investment property, for an amount of € 46.68 million, of the building located at calle Recoletos no. 23, which has been leased.

The fully depreciated cost of tangible fixed assets as at 31 December 2009 and 2008 amounts to € 130.95 million and € 88.72 million, respectively.

Impairment losses amount to € 4.03 million and € 0.31 million for financial years 2009 and 2008, respectively, and reversals amount to € 0.39 million and € 2.68 million. These amounts are included in the headings "Allocation to the asset impairment provision" and "Reversal of the asset impairment provision" in the consolidated income statement.

INVESTMENT PROPERTY

The following tables detail the movement of this heading during the last two financial years:

FINANCIAL YEAR 2009

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market value
COST							
INVESTMENT PROPERTY							
Land and natural resources	103.51	1.35	3.52	11.12	(1.36)	118.14	205.76
Buildings and other structures	1,038.67	4.62	13.80	120.77	(220.57)	957.29	1,525.17
TOTAL COST	1,142.18	5.97	17.32	131.89	(221.93)	1,075.43	1,730.93
ACCUMULATED AMORTISATION							
INVESTMENT PROPERTY							
	(203.25)	(1.28)	(1.10)	(22.67)	21.57	(206.73)	-
TOTAL ACCUMULATED AMORTISATION	(203.25)	(1.28)	(1.10)	(22.67)	21.57	(206.73)	-
IMPAIRMENT							
INVESTMENT PROPERTY							
Buildings and other structures	(8.19)	(0.38)	-	(1.70)	-	(10.27)	-
TOTAL IMPAIRMENT	(8.19)	(0.38)	-	(1.70)	-	(10.27)	-
TOTAL INVESTMENT PROPERTY	930.74	4.31	16.22	107.52	(200.36)	858.43	1,730.93

FIGURES IN MILLION EUROS

Changes in the perimeter in year 2009 arise from the incorporation of the entity ASEGURADORA MUNDIAL.

Other movements in 2009 are mainly due to transfers and to the sale of two office buildings in Madrid.

FINANCIAL YEAR 2008

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions or appropriations	Disposals, cancellations or reductions	Closing balance	Market value
COST							
INVESTMENT PROPERTY							
Land and natural resources	105.50	1.87	0.01	4.77	(8.64)	103.51	171.68
Buildings and other structures	832.52	(2.90)	0.41	271.63	(62.99)	1,038.67	1,547.42
OTHER INVESTMENT PROPERTY	9.83	(1.98)	-	-	(7.85)	-	-
TOTAL COST	947.85	(3.01)	0.42	276.40	(79.48)	1,142.18	1,719.10
ACCUMULATED AMORTISATION							
INVESTMENT PROPERTY							
	(151.73)	(0.75)	(0.16)	(52.55)	1.94	(203.25)	-
TOTAL ACCUMULATED AMORTISATION	(151.73)	(0.75)	(0.16)	(52.55)	1.94	(203.25)	-
IMPAIRMENT							
INVESTMENT PROPERTY							
Land and natural resources	-	-	-	-	-	-	-
Buildings and other structures	(4.78)	(1.99)	-	(1.42)	-	(8.19)	-
TOTAL IMPAIRMENT	(4.78)	(1.99)	-	(1.42)	-	(8.19)	-
TOTAL INVESTMENT PROPERTY	791.34	(5.75)	0.26	222.43	(77.54)	930.74	1,719.10

FIGURES IN MILLION EUROS

The main additions in financial year 2008 arise from the acquisition by MAPFRE FAMILIAR of several premises in Barcelona, Madrid and Valencia.

The market value of investment property corresponds with the appraisal value determined by the Directorate General for Insurance and Pension Funds or by the authorised independent appraisal entity.

The impairment loss occurred in the year is registered in the account "Allowance to the asset impairment provision" and the reversal under "Reversal of the asset impairment provision" of the consolidated income statement.

Revenues and expenses arising from investment property in financial years 2009 and 2008 are shown in the following table.

Concept	Investments of							
	Operations		Equity		Other activities		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues from investment property								
From rentals	78.24	73.03	5.24	20.14	8.79	–	92.27	93.17
Others	15.20	–	0.21	13.36	–	–	15.41	13.36
Gains on disposals	64.25	43.08	11.15	4.49	8.55	–	83.95	47.57
Total revenues from investment property	157.69	116.11	16.60	37.99	17.34	–	191.63	154.10
Expenses from investment property								
Direct operating expenses	48.15	39.11	2.30	4.48	–	0.70	50.45	44.29
Other expenses	10.90	0.89	3.20	0.20	5.02	0.13	19.12	1.22
Losses on disposals	2.12	0.06	1.29	0.02	–	–	3.41	0.08
Total expenses from investment property	61.17	40.06	6.79	4.70	5.02	0.83	72.98	45.59

FIGURES IN MILLION EUROS

6.3. LEASES

The Group has the following elements subject to operating lease agreements:

Type of asset	Net book value		Maximum duration of agreements (years)		Maximum years elapsed	
	2009	2008	2009	2008	2009	2008
Investment property	858.43	930.74	25	25	14	13

FIGURES IN MILLION EUROS

As at 31 December, minimum future collections from the last two years, to be received in the concept of operating lease agreements not liable of cancellation, are as follows:

Concept	2009	2008
Below one year	68.80	55.32
Over one year but below five years	235.52	166.15
More than five years	218.85	162.75
Total	523.17	384.22

FIGURES IN MILLION EUROS

The Group is a lessee, pursuant to operating leases, of buildings and other property, plant and equipment.

These leases have a maximum duration of 5 years, without renewal clauses provided for in the agreements. There is no restriction whatsoever for the lessee with respect to entering into these leases.

As at 31 December, minimum future payments to be made in the concept of operating lease agreements not liable of cancellation are as follows:

Concept	2009	2008
Below one year	24.53	22.19
Over one year but below five years	100.58	97.10
More than five years	–	–
Total	125.11	119.29

FIGURES IN MILLION EUROS

There are no contingent payments registered as an expense in financial year 2009, while in 2008 they amounted to € 11.33 million.

6.4. FINANCIAL INVESTMENTS

As at 31 December 2009 and 2008, the breakdown of financial investments is as follows:

Concept	Book value 2009	2008
PORTFOLIO HELD TO MATURITY		
Fixed income	890.33	604.69
Other investments	33.95	136.45
Total portfolio held to maturity	924.28	741.14
PORTFOLIO AVAILABLE FOR SALE		
Equities	554.86	716.27
Fixed income	23,773.45	22,744.31
Trust funds	527.90	706.20
Others	261.94	428.50
Total portfolio available for sale	25,118.15	24,595.28
TRADING PORTFOLIO		
Derivatives (non hedging):		
Swaps	3.24	2.76
Options	11.23	–
Other derivatives	–	20.54
Other investments:		
Equities	0.03	0.43
Fixed income	1,108.51	856.62
Trust funds	26.61	44.61
Others	76.03	14.15
Total trading portfolio	1,225.65	939.11

FIGURES IN MILLION EUROS

PORTFOLIO HELD TO MATURITY

A breakdown is given below of investments allocated to the portfolio held to maturity, as at 31 December 2009 and 2008:

Concept	Book value (amortised cost)		Fair value		Revenues from interests		Impairment					
	2009	2008	2009	2008	2009	2008	Recorded loss	2009	2008	Gains on reversal	2009	2008
Fixed income	890.33	604.69	890.33	604.08	101.50	107.07	-	-	-	-	-	-
Other investments	33.95	136.45	24.95	136.41	7.17	36.35	3.40	-	-	-	-	-
Total	924.28	741.14	915.28	740.49	108.67	143.42	3.40	-	-	-	-	-

FIGURES IN MILLION EUROS

PORTFOLIO AVAILABLE FOR SALE

A breakdown is given below of investments allocated to the portfolio available for sale, as at 31 December 2009 and 2008:

Concept	Market value (book value)						Total book value (fair value)		Impairment				
	List price		Observable data		Other measurements		2009	2008	Registered loss	2009	2008	Gains on reversal	2009
Equities	554.76	716.27	-	-	0.10	-	554.86	716.27	-	(1.14)	0.01	-	-
Fixed income	22,238.54	21,412.32	1,440.31	1,238.18	94.60	93.81	23,773.45	22,744.31	(9.43)	(27.56)	1.28	5.33	
Trust funds	527.90	706.20	-	-	-	-	527.90	706.20	-	(7.44)	0.96	-	
Others	128.80	270.95	117.89	131.20	15.25	26.35	261.94	428.50	-	(17.99)	-	-	
Total	23,450.00	23,105.74	1,558.20	1,369.38	109.95	120.16	25,118.15	24,595.28	(9.43)	(54.13)	2.25	5.33	

FIGURES IN MILLION EUROS

To the effects of the details shown in the table above, the market value has been calculated paying attention to:

- List value: listed prices in active markets for the same instrument as that measured herein.
- Observable data: listed prices in active markets for instruments similar to the one measured here or other valuation techniques where all significant variables are based on observable market data.
- Other measurements: valuation techniques where some of the significant variables is/are not based on market data.

Valuation adjustments in the portfolio investments amount to € 558.07 million and € (66.78) million as at 31 December 2009 and 2008 respectively, and they have been recorded in equity net of the tax effect.

Transfers to the consolidated income statement of valuation adjustments of portfolio investments in previous financial years, carried out during years 2009 and 2008, amount to € 34.84 and € (20.80) million, respectively.

TRADING PORTFOLIO

The following table details the investments allocated to the trading portfolio as at 31 December 2009 and 2008:

Concept	List price		Market value (book value)				Total book value (fair value)		Capital gains (losses) allocated to results			
	2009	2008	Observable data 2009	Observable data 2008	Other measurements 2009	Other measurements 2008	2009	2008	Unrealised 2009	Unrealised 2008	Realised 2009	Realised 2008
Derivatives (not for hedging)												
Swaps	3.24	2.76	-	-	-	-	3.24	2.76	(2.19)	-	-	-
Options	11.23	-	-	-	-	-	11.23	-	(2.25)	-	-	-
Other derivatives	-	20.54	-	-	-	-	-	20.54	-	(2.42)	-	-
Total derivatives (not for hedging)	14.47	23.30	-	-	-	-	14.47	23.30	(4.44)	(2.42)	-	-
Other investments												
Equities	0.03	0.43	-	-	-	-	0.03	0.43	-	(0.85)	-	(0.14)
Fixed income	1,108.51	856.62	-	-	-	-	1,108.51	856.62	1.19	7.75	13.21	4.59
Trust funds	26.61	44.61	-	-	-	-	26.61	44.61	0.04	(2.13)	0.67	(0.10)
Others	76.03	14.51	-	-	-	-	76.03	14.15	-	0.44	-	(0.58)
Total other investments	1,211.18	915.81	-	-	-	-	1,211.18	915.81	1.23	5.21	13.88	3.77
Total trading portfolio	1,225.65	939.11	-	-	-	-	1,225.65	939.11	(3.21)	2.79	13.88	3.77

FIGURES IN MILLION EUROS

The fixed income investments of the trading portfolio include € 6.44 million and € 186.44 million as at 31 December 2009 and 2008, respectively, corresponding to monetary assets and government debt sold temporarily, with a non optional repurchase agreement.

6.5. INVESTMENTS ON ACCOUNT OF LIFE POLICY HOLDERS BEARING THE INVESTMENT RISK

The following table shows the composition of the heading of investments on account of life policyholders bearing the investment risk as at 31 December 2009 and 2008:

Concept	Book value (fair value)		Results			
	2009	2008	Unrealised 2009	Unrealised 2008	Realised 2009	Realised 2008
Equities	-	0.56	-	-	-	-
Fixed income	481.80	237.04	11.96	0.27	-	-
Mutual fund holdings	316.88	234.82	17.81	(30.06)	(3.67)	(7.95)
Total	798.68	472.42	29.77	(29.79)	(3.67)	(7.95)

FIGURES IN MILLION EUROS

6.6. INVENTORIES

The following tables detail the movements of the heading of inventories in the last two financial years:

FINANCIAL YEAR 2009

Concepts	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions	Cancellations	Impairment	Closing balance
Land	578.75	-	-	38.66	(67.91)	(12.90)	536.60
Finished buildings	8.97	-	-	48.64	(22.82)	(2.98)	31.81
Other finished products	0.52	-	-	-	-	-	0.52
Developments and works in progress	93.54	-	-	24.64	(39.28)	1.84	80.74
Raw materials	5.27	-	0.03	1.37	(1.42)	-	5.25
Total	687.05	-	0.03	113.31	(131.43)	(14.04)	654.92

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concepts	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions	Cancellations	Impairment	Closing balance
Land	575.95	-	-	2.80	-	-	578.75
Finished buildings	14.15	-	-	-	(5.18)	-	8.97
Other finished products	0.52	-	-	-	-	-	0.52
Developments and works in progress	81.21	-	-	103.41	(45.68)	(45.40)	93.54
Raw materials	6.36	-	-	0.23	(1.32)	-	5.27
Total	678.19	-	-	106.44	(52.18)	(45.40)	687.05

FIGURES IN MILLION EUROS

Additions correspond to purchases of land and developments made by MAPFRE INMUEBLES in the fulfilment of its activity.

Costs on capitalised interest in financial years 2009 and 2008 amounted to € 4.06 million and € 23.91 million, respectively. The capitalisation rate used in years 2009 and 2008 to determine the interest costs liable of being capitalised was 3.80% and 5.25%, respectively.

6.7. CREDITS AND RECEIVABLES

The following table shows the composition of credits and receivables as at 31 December 2009 and 2008; it also shows the impairment losses and gains on reversal of impairment recorded in the last two financial years:

Concept	Gross amount		Impairment		Net balance in the balance sheet		Impairment			
	2009	2008	2009	2008	2009	2008	Recorded losses		Gains on reversal	
							2009	2008	2009	2008
Receivables on direct insurance and co-insurance transactions	2,502.80	2,469.24	(49.79)	(56.31)	2,453.01	2,412.93	(3.11)	(14.51)	1.34	4.05
Receivables on reinsurance transactions	495.11	317.05	(1.44)	(1.12)	493.67	315.93	(0.32)	-	-	0.66
Tax credits	79.47	84.32	-	-	79.47	84.32	-	-	-	-
Corporate and other credits	587.18	339.38	(3.23)	(3.65)	583.95	335.73	(0.44)	(0.02)	0.86	1.30
Total	3,664.56	3,209.99	(54.46)	(61.08)	3,610.10	3,148.91	(3.87)	(14.53)	2.20	6.01

FIGURES IN MILLION EUROS

The balances included under credits do not accrue interest and they are generally settled in the following year.

6.8 ASSET IMPAIRMENT

The following tables detail the asset impairment over the last two years.

FINANCIAL YEAR 2009

Impairment in:	Opening balance	Adjustments to opening balance	Changes in perimeter	Recording in results		Write-off of asset	Closing balance
				Allowance	Reduction		
Intangible assets	35.07	-	-	3.72	-	-	38.79
I. Goodwill	35.03	-	-	3.72	-	-	38.75
II. Other intangible assets	0.04	-	-	-	-	-	0.04
Property, plant and equipment	5.38	0.29	-	4.03	(0.39)	-	9.31
I. Property for own use	0.33	0.20	-	2.00	(0.31)	-	2.22
II. Other property, plant and equipment	5.05	0.09	-	2.03	(0.08)	-	7.09
Investments	74.07	13.18	-	15.59	(2.25)	(9.75)	90.84
I. Investment property	8.19	0.38	-	1.70	-	-	10.27
II. Financial investments	-	-	-	-	-	-	-
- Portfolio held to maturity	-	-	-	3.40	-	-	3.40
- Portfolio available for sale	52.59	12.80	-	9.43	(2.25)	-	72.57
- Trading portfolio	2.29	-	-	-	-	-	2.29
III. Investments recorded by the participation method	1.25	-	-	1.06	-	-	2.31
IV. Deposits established for accepted reinsurance	-	-	-	-	-	-	-
V. Other investments	9.75	-	-	-	-	(9.75)	-
Inventories	45.40	(0.19)	-	25.74	(11.51)	-	59.44
Credits and receivables	61.08	-	-	3.87	(2.20)	(8.29)	54.46
I. Credits from direct insurance and coinsurance transactions	56.31	-	-	3.11	(1.34)	(8.29)	49.79
II. Credits from reinsurance transactions	1.12	-	-	0.32	-	-	1.44
III. Tax credits	-	-	-	-	-	-	-
IV. Corporate and other credits	3.65	-	-	0.44	(0.86)	-	3.23
Other assets	0.01	-	-	-	-	-	0.01
Total impairment	221.01	13.28	-	52.95	(16.35)	(18.04)	252.85

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Impairment in:	Opening balance	Adjustments to opening balance	Changes in perimeter	Recording in results		Write-off of asset	Closing balance
				Allowance	Reduction		
Intangible assets	23.59	-	-	12.20	-	(0.72)	35.07
I. Goodwill	23.55	-	-	12.20	-	(0.72)	35.03
II. Other intangible assets	0.04	-	-	-	-	-	0.04
Property, plant and equipment	9.11	(1.36)	-	0.31	(1.31)	(1.37)	5.38
I. Property for own use	3.63	(2.04)	-	0.23	(0.12)	(1.37)	0.33
II. Other property, plant and equipment	5.48	0.68	-	0.08	(1.19)	-	5.05
Investments	20.22	3.66	-	55.55	(5.36)	-	74.07
I. Investment property	4.78	1.99	-	1.42	-	-	8.19
II. Financial investments	-	-	-	-	-	-	-
- Portfolio held to maturity	-	-	-	-	-	-	-
- Portfolio available for sale	3.65	0.14	-	54.13	(5.33)	-	52.59
- Trading portfolio	1.93	0.36	-	-	-	-	2.29
III. Investments recorded by the participation method	0.08	1.17	-	-	-	-	1.25
IV. Deposits established for accepted reinsurance	-	-	-	-	-	-	-
V. Other investments	9.78	-	-	-	(0.03)	-	9.75
Inventories	-	-	-	45.40	-	-	45.40
Credits and receivables	53.01	(0.45)	-	14.53	(6.01)	-	61.08
I. Credits from direct insurance and coinsurance transactions	45.85	-	-	14.51	(4.05)	-	56.31
II. Credits from reinsurance transactions	2.23	(0.45)	-	-	(0.66)	-	1.12
III. Tax credits	-	-	-	-	-	-	-
IV. Corporate and other credits	4.93	-	-	0.02	(1.30)	-	3.65
Other assets	-	-	-	0.01	-	-	0.01
Total impairment	105.93	1.85	-	128.00	(12.68)	(2.09)	221.01

FIGURES IN MILLION EUROS

6.9. CASH AND BANKS

During financial years 2009 and 2008, expenditure was made in investments in Group companies, the most significant acquisitions being as follows:

Buying company	Company	Details of the acquisition		Amount of payment
		Percentage	Activity	
Financial Year 2009				
MAPFRE AMÉRICA	ASEGURADORA MUNDIAL	56.65%	Insurance – Panamá	44.35
MAPFRE AMÉRICA	MUNDIAL DESARROLLO	57.06%	Insurance – Panamá	24.40
MAPFRE INTERNACIONAL	GENEL SIGORTA	10.00%	Insurance – Turkey	30.12
Financial Year 2008				
MAPFRE INTERNACIONAL	COMMERCE	100.00%	Non Life Insurance – U.S.A.	1,515.42
MAPFRE, S.A.	DUERO VIDA	50.00%	Life Assurance – Spain	87.50
MAPFRE, S.A.	DUERO PENSIONES	50.00%	Pension fund administration -Spain	18.03

FIGURES IN MILLION EUROS

Investments in financial year 2009 were financed with own funds, and those of 2008 with own funds as well as with bank loans.

Likewise, throughout 2008, disposals were made of investments in associated undertakings, amounting to € 114.43 million, mainly from the sale of the stake in CAJA MADRID BOLSA, GESMADRID and CAJA MADRID PENSIONES.

There are no significant monetary transactions related to investment and funding activities excluded from the cash flow statements.

6.10. NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE, RELATED LIABILITIES AND DISCONTINUED OPERATIONS

The main types of non current assets classified as held for sale and of discontinued activities, as well as their related liabilities as at 31 December 2009 and 2008, are as follows:

Concept	Non current assets classified as held for sale		Discontinued operations		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Intangible assets	0.97	-	-	0.02	0.97	0.02
Property, plant and equipment	0.56	4.53	-	0.19	0.56	4.72
Other assets	2.62	8.69	-	7.32	2.62	16.01
Total assets	4.15	13.22	-	7.53	4.15	20.75
Related liabilities	1.91	7.37	-	-	1.91	7.37

FIGURES IN MILLION EUROS

The described assets and liabilities mainly correspond to the "Other activities" segment.

The sale of non current assets held for sale is envisaged within 12 months, no realisation losses being expected.

During financial years 2009 and 2008, these assets have generated total revenues of € 0.01 million and € 18.90 million, respectively, and net losses of € 1.29 million and 2.20 million, respectively. Net cash flows generated by the said assets in the same periods amounted to € 1.63 million and € 1.02 million, respectively.

6.11. EQUITY

SHARE CAPITAL

Share capital is recorded for the nominal value of shares being fully paid-up or the payment of which has been called.

The controlling Company's share capital as at 31 December 2009 is represented by 2,922,709,779 shares (2,744,832,287 shares as at 31 December 2008) with a nominal value of € 0.10 each, fully subscribed and paid-up. All the shares confer the same political and economic rights.

CARTERA MAPFRE holds 64.19% and 63.56 % in the share capital as at 31 December 2009 and 2008, respectively; and CAJA MADRID CIBELES, S.A. holds 14.94% and 15% as at 31 December 2009 and 2008, respectively.

All the shares representing the controlling Company's capital are listed on the Madrid and Barcelona stock exchanges.

As at 31 December 2009 and 2008, there is no Group company holding shares in the controlling Company.

CAPITAL INCREASES CARRIED OUT DURING FINANCIAL YEARS 2008 Y 2009

The capital increase expenses, amounting, net of the tax effect, to € 2.37 million and € 1.38 million in 2009 and 2008, respectively, are deducted from the heading "Share premium, reserves and interim dividend".

A) 8 MAY 2008

As a result of the merger between MAPFRE S.A. as company taking over and MAPFRE-CAJA MADRID HOLDING DE ENTIDADES ASEGURADORAS, S.A. as company taken over, in May 2008 401,527,793 new shares in the controlling Company were issued, of the same class and series as the existing ones, with a nominal value of € 0.10 each. These shares were issued at a rate of 3,049.851%, namely, at € 3.049851 each, of which € 0.10 corresponded to the nominal value and the remaining € 2.949851 to share premium, included in the consolidated balance sheet under the heading "Share premium, reserves and interim dividend".

The new shares were fully subscribed to by CORPORACIÓN FINANCIERA CAJA DE MADRID, S.A. and entitled to sharing in the corporate gains with the same rights as existing shares.

B) 4 DECEMBER 2008

As part of the possibility given to the controlling Company's shareholders of reinvesting the collected dividend in MAPFRE shares, on 4 December 2008 a capital increase was carried out by issuing 67,980,331 new ordinary shares with a nominal value of € 0.10 each, which were fully subscribed and paid up. These shares were issued at a rate of 2,210%, namely, at € 2.21 each, of which € 0.10 correspond to their nominal value and the remaining € 2.11 were allocated to the legal reserve until reaching 20% in the share capital, and the residual amount to voluntary reserves.

C) 14 APRIL 2009

As part of the possibility given to the controlling Company's shareholders of reinvesting the collected dividend in MAPFRE shares, on 14 April 2009 a capital increase resolution was raised to public status, consisting of issuing 118,578,068 new ordinary shares with a nominal value of € 0.10 each, which were fully subscribed and paid up. These shares were issued at a rate of 1,410%, namely, at € 1.41 each, of which € 0.10 correspond to their nominal value and the remaining € 1.31 were allocated to the legal reserve until reaching 20% in the share capital, and the residual amount to voluntary reserves.

D) 10 DECEMBER 2009

As part of the possibility given to the controlling Company's shareholders of reinvesting the collected dividend in MAPFRE shares, on 10 December 2009 a capital increase resolution was raised to public status, consisting of issuing 59,299,424 new ordinary shares with a nominal value of € 0.10 each, which were fully subscribed and paid up. These shares were issued at a rate of 2,583%, namely, at € 2.583 each, of which € 0.10 correspond to their nominal value and the remaining € 2.483 were allocated to the legal reserve until reaching 20% in the share capital, and the residual amount to voluntary reserves.

VALUATION ADJUSTMENT RESERVES

It includes the equity reserves arising as a consequence of revenues and expenses recognised in each year, which, pursuant to IFRS, must be directly recorded in the Group's equity accounts.

RESTRICTIONS ON THE AVAILABILITY OF RESERVES

— The "Share premium and reserves" item includes the legal reserve, amounting to € 58.45 million and € 54.90 million as at 31 December 2009 and 2008, respectively, which may not be distributed among shareholders, except in the event of winding-up of the controlling Company, and may be used only to offset potential losses.

The same restriction applies to the legal reserves established by the subsidiaries in their balance sheets.

— Likewise, the said item also includes the reserve on redenomination of the share capital to Euros amounting to € 0.15 million, of a non-distributable nature, pursuant to the provisions of article 28 of Act 46/1998.

— There is no other restriction on the availability of reserves for any significant amount.

MINORITY INTERESTS

The acquisition in 2008 of a 13.47% stake in MAPFRE-CAJA MADRID HOLDING, paid in cash for an amount of € 464.29 million, together with the merger that is described under the "Capital increases" section, entailed the cancellation of minority shareholders in the said company for an amount of € 913.23 million. The difference between this amount and the total price paid to the minority shareholders, both in cash and in the controlling Company's shares, entailed a reduction of € 775.77 million in reserves. On the other hand, reducing the above mentioned amount of € 913.23 million, line "4.Other transactions" of section "II.Transactions with the controlling Company's and minority shareholders" of the consolidated

statement of changes in equity corresponding to financial year 2008, includes minority shareholders' contributions in controlled companies' capital increases amounting to € 312.07 million.

CAPITAL MANAGEMENT

MAPFRE has in place an internal policy on capital and dividends aimed at providing the Units, rationally and objectively, with the necessary capital to meet the assumed risks. Both the estimation of risks and the allocation of capital to each unit are detailed in Note 7 of the "RISK MANAGEMENT" report.

On the other hand, the items forming part of the Group's uncommitted equity abide by the requirements of the regulations in force.

The Group's solvency margin in financial years 2009 and 2008 amounts to € 7,695.26 million and € 6,414.20 million; respectively, these figures exceed the required minimum (which amounts to € 2,701.88 million and € 3,140.16 million, respectively) by 2.85 times in year 2009 and by 2.04 times in 2008.

6.12. SUBORDINATED LIABILITIES

As at 31 December 2009 and 2008, the balance of this account mainly includes the amortised cost of the subordinated debentures issued by the controlling Company, net of that corresponding to the securities bought in the market; Their most significant terms and conditions are as follows:

- Nature of the issue: subordinated debentures represented by book entries.
- Total amount: € 700 million
- Number of securities: 14,000
- Nominal per security: € 50,000
- Issuance date: 24 July 2007
- Maturity: 24 July 2037
- First repayment option: 24 July 2017
- Repayment in special cases: due to reform or modification of tax regulations, failure to qualify as the issuer's shareholders funds, and change in the treatment afforded by Credit Rating Agencies.
- Interest from issuance until the exercise date of the first repayment option: 5.921% per annum, payable on 24 July of each year.
- Interest from the date of exercise of the first repayment option: variable rate equal to 3-month Euribor plus 2.05%, payable quarterly.
- Deferral of interest: the issuer will have discretion to defer the payment of interest if this exceeds the profits available for distribution and if the issuer has not made any payment or repaid/repurchased any shares or securities issued *pari passu* with or ranking below the debentures.

- Settlement of deferred interest: the issuer shall be bound to pay deferred interest when it resumes regular payment of interest of debentures, makes an early repayment of the debentures or makes payments or repurchases of any shares or securities ranking below the debentures.

- Priority order: they are subordinated to all ordinary creditors, these understood as all those that in the rank of priority stand before subordinated creditors in the event of the issuer's winding up.

- Listing: AIAF.

- Law: Spanish law.

- Rating of issue: A- (Standard & Poor's).

During financial years 2009 and 2008, 1,971 and 235 securities, respectively were purchased in the market, for a nominal amount of € 98.55 million and € 11,75 million, respectively, which generated a pre-tax profit of € 53.76 million and € 7.03 million, respectively.

Interest accrued pending payment as at 31 December 2009 and 2008 amounts to € 15.31 million and € 17.86 million, respectively. The fair value of the subordinated liabilities does not significantly deviate from its book value as at 31 December 2009.

6.13. FINANCIAL LIABILITIES

The following table shows the fair value of financial liabilities:

Concept	Book Value		Fair Value	
	2009	2008	2009	2008
Issuance of debentures and other negotiable securities	428.01	463.21	440.05	475.64
Due to credit institutions	1,013.93	1,857.75	1,017.37	1,857.75
Other financial liabilities	309.87	718.97	303.42	718.97
Total	1,751.81	3,039.93	1,760.84	3,052.36

FIGURES IN MILLION EUROS

ISSUANCE OF DEBENTURES AND OTHER NEGOTIABLE SECURITIES

As at 31 December 2009 and 2008, the balance of this account includes the fair value of the debentures issued by MAPFRE, S.A. and COMMERCE, net of that corresponding to the securities purchased in the market. The most significant terms and conditions of both issues are shown below:

A) MAPFRE, S.A.

- Nature of the issue: simple debentures represented by book entries.
- Total amount: € 275 million
- Number of securities: 2,750
- Nominal per security: € 100,000
- Issuance date: 12 July 2001
- Term: 10 years
- Maturity: 12 July 2011
- Repayment: In a lump sum at maturity, at par, free of expenses for holders.
- Listing: Mercado AIAF de Renta Fija

- Coupon: 6.02% per annum, payable on the anniversaries of the issuance date until the final maturity date inclusive.
- Rating of issue: AA- (Standard & Poor's).

Interest accrued pending payment as at 31 December 2009 and 2008 amounts to € 7.80 million.

On 28 February 2002, an interest rate swap was agreed on the total amount of the issue, restructured on 23 June 2003, whereby the controlling Company receives on an annual basis an amount equivalent to 6.02% up to the final maturity of the issue, and undertakes to pay the 6 month Euribor plus 1.62%, with the maximum limit of 6.02% per annum. This swap, the cover of which is not efficient, is recorded under "Other Investments" at fair value for an amount of € 15.72 million and € 10.1 million as at 31 December 2009 and 2008, respectively.

B) COMMERCE

- Nature of the issue: simple debentures.
- Total amount: USD 300 million.
- Number of securities: 300,000.
- Nominal per security: USD 1,000.
- Issuance date: 9 December 2003.
- Term: 10 years.
- Maturity: 9 December 2013.
- Repayment: In a lump sum at maturity, at par, free of expenses for holders.
- Listing: TRACE (Trade Reporting and Compliance Engine™)
- Coupon: 5.95% fixed payable in half-yearly periods on days 9 June and 9 December.
- Rating of issue: Moody's Baa2; S & P BBB; Fitch A-

DUE TO CREDIT INSTITUTIONS

The amounts owed to credit institutions as at 31 December 2009 and 2008 break down as follows:

Type of debt	Book value		Average interest rate		Security given	
	2009	2008	2009	2008	2009	2008
Financial leases	1.71	1.73	7.47%	7.26%	-	-
Credit facilities	697.24	1,464.32	2.01%	3.62%	-	-
Loans	258.52	326.85	4.07%	5.46%	-	-
Others	56.46	64.85	-	-	-	-
Total	1,013.93	1,857.75	-	-	-	-

FIGURES IN MILLION EUROS

As at 31 December 2009 and 2008, this borrowing heading includes the amount drawn down under several credit facilities, the main ones being as follows:

Bank	Maturity	Interest rate	Limit	Drawn down	
				2009	2008
Société Générale	18.06.2014	Euribor + 0.14	500.00	500.00	200.00
Citibank, NA	18.12.2009	Euribor + 0.25	1,000.00	-	1,000.00
Caja Madrid	03.04.2012	Euribor + 1.50	150.00	16.86	-
BBVA	15.06.2010	Euribor + 0.60	100.00	100.00	-
Total				616.86	1,200.00

FIGURES IN MILLION EUROS

Société Générale and Citibank NA are the agent banks of the mentioned credit facilities, which are syndicated with other entities.

OTHER FINANCIAL LIABILITIES

“Other financial liabilities” includes € 6.44 million and € 184.85 million as at 31 December 2009 and 2008, respectively, corresponding to temporary assignment of assets with non optional repurchase agreement. Furthermore, they include € 230.48 million and € 248.00 million as at 31 December 2009 and 2008, respectively, corresponding to interest rate swaps linked to Life assurance transactions.

Likewise, “Other financial liabilities” includes the amount of other payment obligations of a financial nature, not included in other items.

6.14. TECHNICAL PROVISIONS

1. DETAIL OF THE TECHNICAL PROVISIONS BALANCE

The following table shows the composition of the balance of each one of the technical provisions recorded in the balance sheet in the last two financial years.

Concept	Direct insurance		Accepted reinsurance		Ceded and retroceded reinsurance	
	2009	2008	2009	2008	2009	2008
Provisions for unearned premiums and for risks in progress Non Life						
1.1 Provision for unearned premiums	4,742.52	4,099.92	873.29	781.87	830.30	780.06
1.2. Provision for risks in progress	8.59	400.64	1.37	3.44	-	-
Provisions for Life assurance						
2.1 Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	175.89	79.64	51.50	74.30	107.17	53.72
2.1.2. Provision for risks in progress	0.53	63.18	-	-	-	-
2.2. Mathematical reserves	16,141.10	15,933.63	52.32	43.33	47.29	30.07
2.3. Provisions for profit sharing	33.45	1.14	-	-	-	-
Provisions for claims						
3.1. Pending settlement or payment	4,285.64	4,404.90	889.32	801.91	1,256.55	1,384.17
3.2. Claims incurred but unreported (IBNR)	1,033.53	1,037.50	51.78	29.12	235.41	316.17
3.3. For claim settlement internal expenses	121.37	134.56	1.08	0.87	5.88	1.56
Other technical provisions						
4.1. Death	405.16	374.02	-	-	-	-
4.2. Others	73.38	95.47	26.64	25.36	1.52	0.05
Total	27,021.16	26,624.60	1,947.30	1,760.20	2,484.12	2,565.80

FIGURES IN MILLION EUROS

2. MOVEMENT OF EACH TECHNICAL PROVISION

2.1. PROVISIONS FOR UNEARNED PREMIUMS, FOR RISKS IN PROGRESS, FOR CLAIMS, FOR PROFIT SHARING, AND OTHER TECHNICAL PROVISIONS

A) Direct insurance and accepted reinsurance

FINANCIAL YEAR 2009

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions	Cancellations	Closing balance
Provisions for unearned premiums and for risks in progress Non Life						
1.1. Provision for unearned premiums	5,280.85	86.02	25.55	6,982.42	(6,759.03)	5,615.81
1.2. Provision for risks in progress	5.02	5.16	0.01	9.96	(10.19)	9.96
Life assurance provisions						
2.1. Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	153.94	17.25	-	290.33	(234.13)	227.39
2.1.2. Provision for risks in progress	63.18	-	-	0.53	(63.18)	0.53
2.2. Mathematical reserves	15,976.96	138.19	70.49	2,793.92	(2,786.14)	16,193.42
2.3. Provision for profit sharing	1.14	-	-	33.45	(1.14)	33.45
Provisions for claims						
3.1. Direct insurance Life	286.50	8.49	-	837.59	(718.43)	414.15
3.2. Direct insurance Non Life	5,212.63	57.58	22.09	4,970.86	(5,236.77)	5,026.39
3.3. Accepted reinsurance	909.73	18.58	-	957.72	(943.85)	942.18
Other technical provisions	494.85	29.11	-	433.66	(452.44)	505.18
TOTAL	28,384.80	360.38	118.14	17,310.44	(17,205.30)	28,968.46

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Additions	Cancellations	Closing balance
Provisions for unearned premiums and for risks in progress Non Life						
1.1. Provision for unearned premiums	4,295.10	(23.80)	625.29	4,665.84	(4,281.58)	5,280.85
1.2. Provision for risks in progress	12.53	17.09	7.28	368.37	(400.25)	5.02
Life assurance provisions						
2.1. Provisions for unearned premiums and for risks in progress						
2.1.1. Provision for unearned premiums	141.71	1.74	7.86	153.94	(151.31)	153.94
2.1.2. Provision for risks in progress	86.57	(29.68)	-	63.18	(56.89)	63.18
2.2. Mathematical reserves	15,992.30	(75.88)	260.42	2,796.55	(2,996.43)	15,976.96
2.3. Provision for profit sharing	1.33	(0.04)	-	1.14	(1.29)	1.14
Provisions for claims						
3.1. Direct insurance Life	271.82	(14.88)	2.31	365.29	(338.04)	286.50
3.2. Direct insurance Non Life	4,550.49	(23.95)	642.19	4,382.33	(4,338.43)	5,212.63
3.3. Accepted reinsurance	653.35	0.01	58.83	1,133.82	(936.28)	909.73
Other technical provisions	414.23	7.02	0.60	474.83	(401.83)	494.85
TOTAL	26,419.43	(142.37)	1,604.78	14,405.29	(13,902.33)	28,384.80

FIGURES IN MILLION EUROS

B) Ceded and retroceded reinsurance

FINANCIAL YEAR 2009

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Allowances	Applications	Closing balance
Provision for unearned premiums	780.06	4.32	3.69	1,226.82	(1,184.59)	830.30
Provision for Life assurance	83.79	12.12	12.92	141.54	(95.91)	154.46
Provision for claims	1,701.90	(25.25)	1.85	1,795.17	(1,975.83)	1,497.84
Other technical provisions	0.05	0.01	-	1.52	(0.06)	1.52
TOTAL	2,565.80	(8.80)	18.46	3,165.05	(3,256.39)	2,484.12

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Allowances	Applications	Closing balance
Provision for unearned premiums	646.27	3.93	51.19	780.06	(701.39)	780.06
Provision for Life assurance	44.74	17.45	2.78	83.82	(65.00)	83.79
Provision for claims	1,454.94	(32.00)	74.78	1,930.83	(1,726.65)	1,701.90
Other technical provisions	0.13	-	-	0.06	(0.14)	0.05
TOTAL	2,146.08	(10.62)	128.75	2,794.77	(2,493.18)	2,565.80

FIGURES IN MILLION EUROS

2.2. MATHEMATICAL RESERVES

Concept	Direct insurance and accepted reinsurance		Ceded and retroceded reinsurance	
	2009	2008	2009	2008
Mathematical reserve at beginning of year	15,976.96	15,992.30	30.07	27.75
Adjustments to opening balance	138.19	(75.88)	1.44	(0.93)
Incorporation to perimeter (balance of reserve on incorporation date)	70.49	260.42	12.92	-
Premiums	2,113.86	2,219.02	8.25	9.12
Technical interests	460.74	542.87	1.40	0.17
Attribution of profit sharing	19.31	16.68	-	-
Payments/collections of claims	(2,786.14)	(2,928.21)	(4.09)	(1.93)
Provision adequacy test	-	-	-	-
Shadow accounting adjustments	169.55	(68.22)	(0.01)	0.01
Others	30.46	17.98	(2.69)	(4.12)
Exit from perimeter (balance of reserve on exit date)	-	-	-	-
Mathematical reserve at year end	16,193.42	15,976.96	47.29	30.07

FIGURES IN MILLION EUROS

2.3. BURIAL INSURANCE PROVISION

Concept	Direct insurance and accepted reinsurance	
	2009	2008
Provision at beginning of year	374.02	336.62
Adjustments to opening balance	–	(0.18)
Incorporation to perimeter (balance of provision on incorporation date)	–	–
Premiums	126.52	126.60
Technical interests	16.61	15.39
Payment of claims	(96.06)	(104.41)
Provision adequacy test	–	–
Others	(15.93)	–
Exit from perimeter (balance of provision on exit date)	–	–
Provision at year end	405.16	374.02

FIGURES IN MILLION EUROS

3. OTHER INFORMATION

3.1. TECHNICAL PROVISIONS RELATING TO LIFE ASSURANCE WHEN POLICYHOLDERS BEAR THE INVESTMENT RISK

Concept	Direct insurance and accepted reinsurance	
	2009	2008
Provision at beginning of year	472.42	362.36
Adjustments to opening balance	–	–
Incorporation to perimeter (balance of provision on incorporation date)	–	4.37
Premiums	461.95	256.58
Payment of claims	(158.44)	(113.15)
Changes in the valuation of assets	26.10	(37.74)
Recognised losses from provision adequacy test	–	–
Others	(3.35)	–
Exit from perimeter (balance of provision on exit date)	–	–
Provision at year end	798.68	472.42

FIGURES IN MILLION EUROS

3.2. PROVISION FOR RISKS IN PROGRESS

The allocation of the provision for risks in progress has been effected by the Group's insurance companies according to the principles stated in Note 5.15.

3.3. INFORMATION ON LIFE ASSURANCE

The allocation of an additional provision to life insurance, due to inadequate returns, has not been necessary.

The following table shows the characteristics of the main types of Life Assurance policies marketed by Group companies in 2009 and 2008. Some of the types shown below include the GKM80 tables, which are used in all cases only for products with a risk element.

Technical conditions at MAPFRE VIDA

Types	Coverage	Tables	Technical interest rate	Profit sharing	
				Amount	Way of distribution
Individual contracts, with regular premium, with profit sharing:					
- Combined insurance	(1)	GKM80	4.50% - 6.00%	0.05	(6)
- Life with counterinsurance, regular premium	(2)	GKM80	4.50% - 6.00%	0.02	(6)
- Life with counterinsurance, regular premium	(2)	GKM95	2.40% - 6.00%	0.34	(6)
Individual contracts, single premium, without profit sharing:					
- Survival with premium counterinsurance	(4)	GKM/F-95	3.46% - 4.14% (5)	-	-
Individual contracts, single premium unit link:					
- Combined single premium	(3)	GKM-95	(12)	-	-
Collective contracts, with regular premium, with profit sharing:					
- Life with counterinsurance, regular premium	(2)	GKM-95 (9) GRM-95 (10) PERM/F 2000C (10)	2.32% - 4.09% (5)	0.83	(6)
- Survival with regular premium	(2)	GRM-95 (10)	2.80% (5)	0.39	(7)
Collective contracts, single premium with and without profit sharing:					
- Survival, without profit sharing	(4)	PERM/F 2000 P/C (11)	3.43% - 6.00% (5)	-	-
- Survival, with profit sharing	(4)	PERM/F 2000 P (11)	5.52%	-	(8)

FIGURES IN MILLION EUROS

(1) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person's death, capitalised at the technical interest (according to products) per full elapsed years, plus the net premiums forecast from the date of death until maturity of the contract. In addition, the mathematical reserve of the "bonuses" assigned in profit sharing is guaranteed.

(2) In case of life, an amount of capital at maturity is guaranteed, as well as appreciation of capital allocated by profit sharing. In case of death, a capital is guaranteed consisting of the sum of the net premiums paid until the insured person's death, capitalised at the technical interest (according to products) per full elapsed years. In addition, the mathematical reserve of the "bonuses" assigned in profit sharing is guaranteed.

(3) If the insured person is alive on the maturity date, the beneficiaries of the policy will receive an amount coinciding with the result of multiplying the number of account units allocated to the policy times their net asset value on the maturity date of the insurance policy.

If the insured person dies before the maturity date, the beneficiaries of the policy will receive a capital resulting from the addition of:

— an amount coinciding with the result of multiplying the number of account units allocated to the policy times their net asset value on the date when the loss is reported.

— an additional capital amounting to 5% of the single premium, with the limit of € 30,000.

(4) Temporary and for life annuities, in case of survival.

(5) Floating interest rates are applied according to the Technical Note, abiding by the provisions of Royal Decree 2486/1998, approving the Regulations on Organisation and Supervision of Private Insurance, and of Order EHA/339/2007 dated 16 February 2007.

(6) The distribution of profit sharing is instrumented in deferred capital insurance policies with reimbursement of single premium reserves.

(7) The distribution of profit sharing is instrumented in deferred capital insurance policies without reimbursement of reserves.

(8) The distribution of profit sharing is instrumented in deferred annuity policies without reimbursement of reserves.

(9) Types 309, 316 and 419. Insurance policies with tariffs as per GRM-95 abide by this table in relation to provisions, while provisions for the rest are allocated pursuant to PERM/F 2000C or PERM/F 2000P. The above table only contains the prevailing table according to volume of provisions.

(10) Types 307 and 419. Provisions according to GKM-95.

(11) As per resolution dated 3 October 2000 of the Directorate General of Insurance and Pension Funds, generational tables PERM/F 2000 C are applied to portfolio contracts, and the PERM/F 2000 P tables are applied to new production from that date. The above table only contains the prevailing table according to volume of provisions.

(12) No interest rate applies since it is a unit-link product.

Technical conditions at MAPFRE-CAJA MADRID VIDA

Types	Coverage	Tables	Technical interest rate	Profit sharing	
				Amount	Way of distribution
Individual contracts, single premium, without profit sharing:					
- Combined insurance	(1)	GRM/F-95	3.59%	-	-
- Combined insurance	(2)	GKM/F-95	3.19%	-	-
Collective contracts, multi-year and complementary risks with profit sharing:					
- Risk insurance	(3)	GKM/F-95 (6)	2%	9.06	(5)
Collective contracts, single premium without profit sharing:					
- Annuity insurance	(4)	GRM/F-95	2.50%	-	-

(1) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the return of the premium is guaranteed plus the lower of 3% of the premium and € 6,010.

(2) The insurance policy guarantees payment of a constant annuity while the insured person lives and, should he/she die during the first year of validity of the insurance policy, the return of the premium paid. If death occurs after the first year, the guaranteed amount will depend on the choice made by the policyholder: the premium plus the lower of 5% of the premium and € 6,010, 85% of the premium or 75% of the premium.

(3) Collective multi-year insurance guaranteeing payment of annuities to the appointed beneficiaries in the event any of the following contingencies occur: death, absolute and permanent disability, total or major disability of the insured person.

(4) Collective insurance guaranteeing payment of temporary annuities until the insured person reaches the age of 64.

(5) Technical-financial sharing in advance. Premium corresponding to the following year is reduced.

(6) Tables: GKM/F-95 for death cover.

Technical conditions at BANKINTER VIDA

Types	Coverage	Tables	Technical interest rate
Individual contracts, single premium, without profit sharing:			
- Combined insurance	(1)	GRM/F-95	6.81 % (2)
- Combined insurance	(3)	GKM/F-95	(6)
- Combined insurance	(3)	GKM-80 / GKM -95	(6)
Individual contracts, regular premium without profit sharing:			
- Insurance with counterinsurance	(4)	GKM/F-95	3.06 % (5)

(1) In case of life, a capital at maturity is guaranteed. In case of death, payment of the capitalised initial premium plus additional capital is guaranteed.

(2) During the validity period of the insurance, for periods with guaranteed return, a fixed technical interest rate for each policy/period or a return indexed to the performance of certain indices or assets.

(3) In case of death, payment is guaranteed of the mathematical reserve plus additional capital.

(4) Annuity insurance with counter-insurance: upon the insured person's death, the capital to be received by the beneficiary will be the premium plus an additional percentage.

(5) For the entire life of the policy there are interest rate commitments for three, five or ten year periods. Upon expiry of the period, renewal is made with a minimum guaranteed interest rate.

(6) No interest rate applies since it is a unit-link product.

Technical conditions at CCM VIDA Y PENSIONES

Types	Coverage	Tables	Technical interest rate	Profit sharing	
				Amount	Way of distribution
Collective contracts individually treated, single premium with profit sharing:					
Combined insurance CJ02	(2)	GRM/F-80	4.00%	-	(5)
Combined insurance CEO4	(2)	GRM/F-95	2.00%	0.33	(5)
Combined insurance PPA	(6)	GKM/F-95	1.50%	-	(5)
Collective contracts individually treated, single premium without profit sharing:					
Life assurance CA11	(1)	GKM/F-80	4.00%	-	-
Survival PVI1	(3)	GRM/F-95	4.01%	-	-
Combined insurance SI11	(6)	GKM/F-95	1.00% (7)	-	-
Combined insurance ULD1	(4)	GKM/F-95	2.00% (9)	-	-
Survival	(8)	GRM/F-95	4.623%	-	-

FIGURES IN MILLION EUROS

(1) Straightforward life assurance policy covering outstanding debt (principal plus interest) under loans or credit facilities extended by Caja de Ahorros de Castilla la Mancha. The contingencies covered are death due to any reason and, as an option, absolute and permanent disability. This policy allows assuring a percentage between 50% and 100% of debt outstanding repayment under the loan. This percentage shall remain constant. Thus, several assurance policies may be taken for the same loan; for example, in the case of a couple, each member may insure between 50% and 100% of the outstanding debt.

(2) Medium-long term life-savings assurance, intended to set up a fund by regular contributions from the client plus a guaranteed fixed return and an additional variable return that is determined on a half-yearly basis (profit sharing). Upon maturity, the fund may be redeemed as an annuity or in a lump sum. Annuities may be freely established as for life or temporary, but always taking into account the fact that they are "actuarial rents", i.e. they are earned while the insured person is alive and are terminated upon the latter's death. If the benefit upon expiry of the policy is by way of capital, the insured person receives 100% of the total cumulative balance. In addition, if the insured person dies before maturity, a minimum insurance amount exists of € 600, with the possibility of taking a complementary death insurance that assures the capital guaranteed at maturity with the maximum limit of € 60,000.

(3) Constant for life annuity, albeit its amount may vary after each interest rate revision, payable quarterly in arrears, pursuant to the periodicity established by the client while the insured person is alive. In case of the insured person's death, the beneficiaries under the policy will receive a capital equivalent to 102% of premiums paid.

4) a) Survival: if the insured person is alive upon expiry of the policy, the beneficiaries will receive an amount coinciding with the result of multiplying the number of account units allocated to the policy, times their net asset value as at the maturity date of the policy.

b) Death: if the insured person dies before the maturity date, the beneficiaries under the policy will receive a capital consisting of the addition of:

— an amount coinciding with the result of multiplying the number of account units allocated to the policy times their net asset value on the date when the loss is reported.

— an additional capital amounting to 1% of the single premium. In any case, it shall not exceed the established maximum of € 10,000.

c) Complementary accident-related death insurance: in addition, and if the insured person dies as a consequence of an accident before maturity, the beneficiaries under the policy will receive an insured capital for 49% of the single premium. In any case, it shall not exceed the established maximum of € 50,000.

(5) The distribution of profit sharing is instrumented as an extraordinary contribution.

(6) In case of life, a capital at maturity is guaranteed. In case of death, payment of capital is guaranteed equal to 110% of the total cumulative balance.

(7) The technical interest rate is linked to the Euribor. Regularly, with the frequency established in the contract, the technical interest rate is revised taking the said index as reference.

(8) Temporary and for life annuities corresponding to the defined contributions of the pension plan of the employees of Caja de Ahorros de Castilla La Mancha.

(9) Medium-term single premium life-savings insurance, intended to build up a capital at maturity. The described product is a temporary insurance with single premium, where the policyholder assumes the investment risk.

Technical conditions at DUERO VIDA

Types	Coverage	Tables	Technical interest rate	Profit sharing	
				Amount	Way of distribution
Individual insurance, covering death, with regular premium, without profit sharing	{1},{2},{3},{4},{5},{6} y {7}	GKM/F-95	2.00%	-	-
Individual insurance, combined with single premium, without profit sharing	{8} y {9}	GRM/F-95	Variable	-	-
Individual insurance, combined with regular premium, without profit sharing	{10} y {11}	GKM/F-80	4.50%	-	-
Individual insurance, combined, regular premium, without profit sharing	{10} y {11}	GKM/F-95	Variable	-	-
Individual insurance, combined, regular premium, with profit sharing	{12},{13},{14} y {15}	GRM-95	2.00%	0.59	Increase in insured benefit
Individual insurance, survival, single premium, without profit sharing	{16} y {7}	GRM/F-95	Variable	-	-
Individual insurance, combined, regular premium, without profit sharing	{18} y {19}	GKM/F-95	Variable	-	-

FIGURES IN MILLION EUROS

Description of covers:

(1) Death due to any reason: Payment of the guaranteed capital is guaranteed upon the Insured person's death, if it occurs within the period provided for in the policy.

(2) Total and permanent professional disability: Payment of the guaranteed capital is guaranteed for the event that the insured person becomes affected by total and permanent professional disability due to an event occurred during the validity of the policy and with the disability declared in the said period or within the year subsequent to the expiry of the policy.

(3) Absolute and permanent disability: Payment of the guaranteed capital is guaranteed for the event that the insured person becomes affected by absolute and permanent disability due to an event occurred during the validity of the policy and with the disability declared in the said period or within the year subsequent to the expiry of the policy.

(4) Accidental death: Payment of the additional capital to that of the main insurance is guaranteed in the event the insured person dies as a consequence of an accident occurred during the validity of the policy and provided that death takes place in the said period or within the year subsequent to the expiry of the policy.

(5) Death from driving accident: Payment of the additional capital is guaranteed, equal to the complementary insurance of death from accident occurred during the validity of the policy and provided that death takes place in the said period or within the year subsequent to the expiry of the policy.

(6) Serious illness: The insured person will receive the capital established in the particular conditions of the policy when the said person or any of his/her children (natural or legally adopted) and with ages between 2 and 16 years is diagnosed with any of the illnesses or has undergone any of the covered operations, provided that the said diagnosis or operation is made by a legally authorised physician.

(7) Domestic and international medical insurance: The provision of the covered medical services is guaranteed to users provided that the said services are requested during the validity of the contract.

(8) Survival: In the event of the insured person's survival upon maturity of the insurance, the insurer will pay the stated beneficiary the capital established to that effect in the particular conditions of the policy plus any revaluation that might correspond applying the profit sharing clause.

(9) Death: In the event of the insured person's death during the validity of the insurance, the insurer will pay the stated beneficiary the capital established to that effect in the particular conditions of the policy on date of the death of the insured person.

(10) Survival: In the event of the insured person's survival upon maturity of the contract, the total cumulative balance as at the said date.

(11) Death: In case of the insured person's death during the validity of the insurance policy, the total cumulative balance as at the date of death plus an additional capital that will be defined in all cases in the particular conditions or the individual insurance certificate.

(12) Survival: The final guaranteed capital as determined in the particular conditions at the expiry of the insurance policy, when the insured person lives on the said date, plus any revaluation that might correspond according to the profit sharing clause.

(13) Insured person's death: Payment is guaranteed to the policyholder of a capital equivalent to the amount of the premiums paid by the policyholder, excluding those paid, if applicable, by the insurer in the concept of profit sharing, provided that the said death occurs during the validity of the policy.

(14) Policyholder's death: If the policyholder dies before the expiry of the insurance policy, the insurer undertakes to maintain in place the values guaranteed by the contract as if the premium or premiums accrued from the date of death until expiry of the insurance policy had been paid.

(15) Policyholder's absolute and permanent disability: In the event of the policyholder's absolute and permanent disability prior to expiry of the insurance, the insurer undertakes to exempt the policyholder from payment of future insurance premiums, without prejudice to its maintaining in place the values guaranteed by the contract as if the premium or premiums had been paid.

(16) Survival: In case of the insured person's survival, the latter will earn an annuity for life on the dates, with the form of payment and for the amount that are laid down in the particular conditions of the contract.

(17) Death: If the insured person dies during the validity of the insurance policy, the insurer will pay the stated beneficiary the capital determined for this concept in the particular conditions as at the insured person's death.

(18) Survival: When the Insured person reaches retirement, the Insurer undertakes to pay the beneficiary the total cumulative balance as at that date.

(19) Death: In case of the insured person's death during the validity of the insurance policy, the insurer will pay the beneficiary the total cumulative balance as of the date of death plus an additional capital. The additional capital will be 10% of the total cumulative balance at the end of the month prior to the date of death, with a minimum of € 1,000 and a maximum of € 10,000.

Technical conditions at MAPFRE AMÉRICA

The MAPFRE AMÉRICA group companies operate in their respective markets with both individual and collective contracts, with regular and/or single premiums, and with or without profit sharing. Contractual covers vary according to the conditions of the markets where they operate, including life and death insurance, combined insurance, for life annuities, death and burial, etc.

In the Brazilian company VERA CRUZ VIDA E PREVIDENCIA, its technical interest rate reaches a maximum of 6%. For some so-called "planos de previdencia" contracts, there is a "financial surplus" clause, whereby the distribution is calculated of a part of the return obtained by the assets allocated to the contracts and a technical reserve is established with the said name.

The companies MAPFRE CHILE VIDA and MAPFRE PERÚ VIDA sell for life annuity insurance at a technical interest rate that varies according to market conditions, although calculated with financial flow matching techniques that ensure the long term profitability of the operation.

At the company MAPFRE COLOMBIA VIDA, the distribution of profit sharing of some death and combined insurance policies is instrumented in deferred capital insurance policies with reimbursement of single premium reserves.

3.4. EVOLUTION OF CLAIMS

The following table shows the evolution of claims for Non Life direct insurance from the year of occurrence until the closing of financial years 2009 and 2008; it also shows the detail per year of occurrence of the provision for claims under the said insurance at the closing of the mentioned financial years.

FINANCIAL YEAR 2009

Year of occurrence of claims	Concept	Evolution of the cost of claims in the years subsequent to that of occurrence										
		Year of occurrence	1 year later	2 years later	3 years later	4 years later	5 years later	6 years later	7 years later	8 years later	9 years later	Over 9 years later
1999 and previous	Outstanding provision	1,277.36	848.51	552.20	398.77	284.05	239.78	200.72	174.57	169.03	123.49	129.29
	Accumulated payments	5,504.01	6,065.31	6,329.32	6,483.29	6,577.57	6,658.32	6,694.58	6,716.93	6,768.10	6,784.00	6,806.76
	Total cost	6,781.37	6,913.82	6,881.52	6,882.06	6,861.62	6,898.10	6,895.30	6,891.50	6,937.13	6,907.49	6,936.05
2000	Outstanding provision	1,006.65	391.76	240.33	140.48	98.67	73.90	63.76	47.29	29.83	22.01	
	Accumulated payments	1,494.27	2,088.84	2,240.06	2,326.01	2,372.25	2,405.93	2,423.99	2,437.65	2,446.88	2,460.12	
	Total cost	2,500.92	2,480.60	2,480.39	2,466.49	2,470.92	2,479.83	2,487.75	2,484.94	2,476.71	2,482.13	
2001	Outstanding provision	1,155.81	484.85	291.09	187.42	136.87	103.83	73.48	57.40	29.60		
	Accumulated payments	1,944.06	2,619.66	2,804.77	2,906.18	2,958.77	2,996.37	3,025.38	3,039.64	3,060.99		
	Total cost	3,099.87	3,104.51	3,095.86	3,093.60	3,095.64	3,100.20	3,098.86	3,097.04	3,090.59		
2002	Outstanding provision	1,373.79	545.09	327.40	216.47	159.46	108.85	73.62	50.35			
	Accumulated payments	2,178.78	2,988.27	3,198.24	3,306.88	3,369.83	3,410.41	3,424.22	3,459.06			
	Total cost	3,552.57	3,533.36	3,525.64	3,523.35	3,529.29	3,519.26	3,497.84	3,509.41			
2003	Outstanding provision	1,699.15	649.69	387.39	269.81	173.98	135.76	82.37				
	Accumulated payments	2,582.26	3,561.93	3,817.96	3,906.55	3,991.49	4,031.50	4,047.83				
	Total cost	4,281.41	4,211.62	4,205.35	4,176.36	4,165.47	4,167.26	4,130.20				
2004	Outstanding provision	1,875.50	767.27	485.04	294.52	195.30	132.03					
	Accumulated payments	2,664.86	3,652.42	3,892.38	4,011.74	4,091.27	4,094.18					
	Total cost	4,540.36	4,419.69	4,377.42	4,306.26	4,286.57	4,226.21					
2005	Outstanding provision	2,166.59	872.27	594.26	316.26	210.37						
	Accumulated payments	3,082.14	4,193.85	4,434.39	4,587.13	4,620.02						
	Total cost	5,248.73	5,066.12	5,028.65	4,903.39	4,830.39						
2006	Outstanding provision	2,262.98	1,022.10	534.94	321.72							
	Accumulated payments	3,224.66	4,353.49	4,657.32	4,728.79							
	Total cost	5,487.64	5,375.59	5,192.26	5,050.51							
2007	Outstanding provision	2,542.37	954.80	613.04								
	Accumulated payments	3,559.42	4,931.30	5,186.67								
	Total cost	6,101.79	5,886.10	5,799.71								
2008	Outstanding provision	2,652.99	1,035.99									
	Accumulated payments	4,084.66	5,394.22									
	Total cost	6,737.65	6,430.21									
2009	Outstanding provision	2,399.62										
	Accumulated payments	4,978.38										
	Total cost	7,378.00										

FIGURES IN MILLION EUROS

31 DECEMBER 2009

Concept	Year of occurrence											Total
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999 and previous	
Provision for claims Non Life direct insurance	2,399.62	1,035.99	613.04	321.72	210.37	132.03	82.37	50.35	29.60	22.01	129.29	5,026.39

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Year of occurrence of claims	Concept	Evolution of the cost of claims in the years subsequent to that of occurrence										
		Year of occurrence	1 year later	2 years later	3 years later	4 years later	5 years later	6 years later	7 years later	8 years later	9 years later	Over 9 years later
1998 and previous	Outstanding provision	381.91	359.53	337.15	260.62	206.56	192.04	170.25	153.00	146.50	140.28	118.99
	Accumulated payments	4,473.01	4,524.92	4,576.82	4,638.46	4,695.38	4,738.58	4,765.10	4,749.13	4,799.85	4,805.06	4,810.27
	Total cost	4,854.92	4,884.45	4,913.97	4,899.08	4,901.94	4,930.62	4,935.35	4,902.13	4,946.35	4,945.34	4,929.26
1999	Outstanding provision	904.18	487.36	217.94	129.98	87.65	65.40	56.21	40.82	32.50	19.49	
	Accumulated payments	1,377.78	1,872.68	2,091.78	2,172.74	2,216.41	2,252.14	2,263.55	2,263.32	2,292.42	2,297.40	
	Total cost	2,281.96	2,360.04	2,309.72	2,302.72	2,304.06	2,317.54	2,319.76	2,304.14	2,324.92	2,316.89	
2000	Outstanding provision	1,026.78	397.52	241.84	144.08	97.12	72.31	62.09	44.96	35.71		
	Accumulated payments	1,564.61	2,172.01	2,321.16	2,408.48	2,455.79	2,490.11	2,500.29	2,493.12	2,518.76		
	Total cost	2,591.39	2,569.53	2,563.00	2,552.56	2,552.91	2,562.42	2,562.38	2,538.08	2,554.47		
2001	Outstanding provision	1,183.46	495.79	295.60	192.23	140.38	103.07	79.09	77.25			
	Accumulated payments	1,909.74	2,593.21	2,772.53	2,873.14	2,925.62	2,915.25	2,933.53	2,946.35			
	Total cost	3,093.20	3,089.00	3,068.13	3,065.37	3,066.00	3,018.32	3,012.62	3,023.60			
2002	Outstanding provision	1,411.81	553.11	340.12	223.45	160.24	104.96	77.50				
	Accumulated payments	2,200.11	3,026.01	3,229.41	3,339.52	3,398.01	3,445.74	3,463.73				
	Total cost	3,611.92	3,579.12	3,569.53	3,562.97	3,558.25	3,550.70	3,541.23				
2003	Outstanding provision	1,727.84	666.20	394.14	272.20	176.94	141.70					
	Accumulated payments	2,589.77	3,577.57	3,820.74	3,904.58	3,990.08	4,028.65					
	Total cost	4,317.61	4,243.77	4,214.88	4,176.78	4,167.02	4,170.35					
2004	Outstanding provision	1,908.39	778.20	486.48	325.89	197.01						
	Accumulated payments	2,763.67	3,779.05	3,991.86	4,122.97	4,199.70						
	Total cost	4,672.06	4,557.25	4,478.34	4,448.86	4,396.71						
2005	Outstanding provision	2,213.68	892.72	509.83	360.31							
	Accumulated payments	3,192.90	4,344.14	4,578.32	4,725.73							
	Total cost	5,406.58	5,236.86	5,088.15	5,086.04							
2006	Outstanding provision	2,295.55	947.41	527.76								
	Accumulated payments	3,348.38	4,531.00	4,830.81								
	Total cost	5,643.93	5,478.41	5,358.57								
2007	Outstanding provision	2,573.25	988.99									
	Accumulated payments	3,719.26	5,106.76									
	Total cost	6,292.51	6,095.75									
2008	Outstanding provision	2,667.92										
	Accumulated payments	4,471.31										
	Total cost	7,139.23										

FIGURES IN MILLION EUROS

31 DECEMBER 2008

Concept	Year of occurrence											Total
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998 and previous	
Provision for claims	2,667.92	988.99	527.76	360.31	197.01	141.70	77.50	77.25	35.71	19.49	118.99	5,212.63
Non Life direct insurance												

FIGURES IN MILLION EUROS

The percentage subject to be allocated to ceded reinsurance of the claims shown in the preceding tables amounts overall to 13.83% and 20.22% in financial years 2009 and 2008, respectively.

Details on the evolution of claims per year of occurrence in accepted reinsurance are not provided because, generally, ceding companies follow accounting methods different from the year of occurrence. Pursuant to studies carried out for accepted reinsurance, the degree of sufficiency of the technical provisions is adequate.

6.15. PROVISIONS FOR RISKS AND EXPENSES

The following tables detail the movements of the provisions for risks and expenses in the last two financial years.

FINANCIAL YEAR 2009

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Appropriations		Cancellations		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for taxes	127.95	1.76	–	1.62	10.01	(1.60)	–	139.74
Provision for payment of liquidation treaties	30.43	0.06	–	7.88	0.08	(17.37)	–	21.08
Provisions for restructuring	14.35	–	–	10.93	–	(12.20)	–	13.08
Other provisions on staff related commitments	52.30	(1.50)	–	61.88	1.33	(44.60)	(0.02)	69.39
Other provisions	91.49	23.54	–	124.32	0.79	(70.98)	(7.50)	161.66
Total	316.52	23.86	–	206.63	12.21	(146.75)	(7.52)	404.95

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	Appropriations		Cancellations		Closing balance
				Allocated provisions	Increased value on discount	Applied provisions	Reversed provisions	
Provision for taxes	124.04	(0.34)	0.17	23.64	8.29	(27.76)	(0.09)	127.95
Provision for payment of liquidation treaties	41.52	(0.02)	–	27.08	0.18	(38.33)	–	30.43
Provisions for restructuring	51.11	6.19	–	12.56	–	(55.51)	–	14.35
Other provisions on staff related commitments	57.75	(0.15)	5.06	187.05	2.03	(199.37)	(0.07)	52.30
Other provisions	40.55	(3.27)	–	74.94	0.51	(20.55)	(0.69)	91.49
Total	314.97	2.41	5.23	325.27	11.01	(341.52)	(0.85)	316.52

FIGURES IN MILLION EUROS

The provisions for risks and expenses include the estimated amounts of tax debts, payments on liquidation treaties, restructuring, staff incentives, and others arising from the activities of the companies forming the Group and the risks inherent in the said activities, the settlement of which will take place over the coming years, in addition to contingent payments arising from business combinations made in preceding years, amounting to € 66.05 million as at 31 December 2009. The estimation of the allocated amount or of the timeframe when the provision will be liquidated is affected by uncertainties on the resolution of filed appeals and the evolution of other parameters. The preparation of assumptions on future events in order to determine the value of the provision has not been necessary.

6.16. DEPOSITS RECEIVED ON CEDED AND RETROCEDED REINSURANCE

Deposits on ceded and retroceded reinsurance represent guarantees given to reinsurers according to the reinsurance coverage contracts entered into pursuant to usual business practices. The said deposits accrue interest to be paid and the average rollover period is quarterly, in general. Liquidation of the said interest is made quarterly.

6.17. DEBTS

The balances included in the heading of debt on direct insurance transactions and coinsurance, on reinsurance transactions, tax debt and other debts do not accrue any interest to be paid and, generally, they are settled in the following financial year.

6.18. REVENUES AND EXPENSES FROM INVESTMENTS

The detail of revenues and expenses from investments for financial years 2009 and 2008 is shown below:

REVENUES FROM INVESTMENTS

Concept	Revenues from investments:				Financial revenues from other activities		Total	
	Operations		Equity		2009	2008	2009	2008
	2009	2008	2009	2008				
REVENUES FROM INTEREST, DIVIDENDS AND SIMILAR								
Investment property								
Rentals	78.24	73.03	5.24	20.14	8.79	-	92.27	93.17
Others	15.20	-	0.21	13.36	-	-	15.41	13.36
Revenues from portfolio held to maturity								
Fixed income	77.52	86.01	23.82	20.92	0.16	0.14	101.50	107.07
Other investments	5.23	29.03	1.94	7.27	-	0.05	7.17	36.35
Revenues from portfolio available for sale	1,234.75	1,472.28	106.30	86.20	4.15	13.44	1,345.20	1,571.92
Revenues from the trading portfolio	213.32	65.35	21.68	34.63	-	-	235.00	99.98
Other financial returns	36.88	9.61	11.77	13.41	70.60	113.25	119.25	136.27
Total revenues	1,661.14	1,735.31	170.96	195.93	83.70	126.88	1,915.80	2,058.12
REALISED AND UNREALISED GAINS								
Net realised gains:								
Investment property	64.25	43.08	11.15	4.49	8.55	-	83.95	47.57
Financial investments portfolio held to maturity	3.12	-	-	-	-	-	3.12	-
Financial investments portfolio available for sale	246.44	261.02	17.80	45.67	3.31	6.27	267.55	312.96
Financial investments trading portfolio	13.88	5.62	-	-	-	-	13.88	5.62
Others	12.36	0.33	2.04	0.02	-	-	14.40	0.35
Unrealised gains:								
Increase in fair value of the trading portfolio and gains in derivatives	3.88	5.22	-	-	-	-	3.88	5.22
Others	-	2.98	-	0.22	-	-	-	3.20
Total gains	343.93	318.25	30.99	50.40	11.86	6.27	386.78	374.92
Total revenues from investments	2,005.07	2,053.56	201.95	246.33	95.56	133.15	2,302.58	2,433.04

FIGURES IN MILLION EUROS

EXPENSES FROM INVESTMENTS

Concept	Revenues from investments:				Financial expenses from other activities		Total	
	Operations 2009	2008	Equity 2009	2008	2009	2008	2009	2008
FINANCIAL EXPENSES								
Investment property								
Direct operating expenses	48.15	39.11	2.30	4.48	-	0.70	50.45	44.29
Other expenses	10.90	0.89	3.20	0.20	5.02	0.13	19.12	1.22
Expenses from portfolio held to maturity								
Fixed-income securities	26.98	14.29	7.10	5.18	-	-	34.08	19.47
Other investments	1.51	5.21	0.38	2.23	-	-	1.89	7.44
Expenses from portfolio available for sale	121.71	235.59	32.15	30.98	0.76	6.67	154.62	273.24
Expenses from the trading portfolio	154.86	22.61	7.66	8.34	-	-	162.52	30.95
Other financial expenses	14.29	16.85	13.01	19.15	90.08	137.61	117.38	173.61
Total expenses	378.40	334.55	65.80	70.56	95.86	145.11	540.06	550.22
REALISED AND UNREALISED LOSSES								
Net realised losses								
Investment property	2.12	0.06	1.29	0.02	-	-	3.41	0.08
Financial investments portfolio held to maturity	0.01	-	-	-	-	-	0.01	-
Financial investments portfolio available for sale	176.12	234.32	13.55	33.46	3.02	2.79	192.69	270.57
Financial investments trading portfolio	-	1.53	-	0.32	-	-	-	1.85
Others	0.76	0.01	0.03	1.44	-	-	0.79	1.45
Unrealised losses								
Decrease in fair value of trading portfolio and losses in derivatives	26.03	2.42	-	-	-	-	26.03	2.42
Others	5.22	-	0.04	1.51	-	-	5.26	1.51
Total losses	210.26	238.34	14.91	36.75	3.02	2.79	228.19	277.88
Total expenses from investments	588.66	572.89	80.71	107.31	98.88	147.90	768.25	828.10

FIGURES IN MILLION EUROS

The expenses arising from the investment portfolio mainly originate from financial swaps related to insurance transactions.

6.19. OPERATING EXPENSES

A detail of staff expenses and amortisation allowance expenses for the last two financial years is shown below.

Concept	Amount	
	2009	2008
Staff expenses	1,179.67	1,009.01
Allowances to amortisation	147.64	175.99
Total	1,327.31	1,185.00

FIGURES IN MILLION EUROS

The following table breaks down the allowances to amortisation by operating segment:

Concept	Amount	
	2009	2008
Direct insurance		
a) Life	17.90	21.46
b) Motor	47.59	79.77
c) Others	39.95	40.84
Reinsurance		
a) Life	3.59	-
b) Non Life	1.70	3.89
Other activities	36.91	30.03
Total	147.64	175.99

FIGURES IN MILLION EUROS

6.20. RESULT OF CEDED AND RETROCEDED REINSURANCE

The result of ceded and retroceded reinsurance transactions in financial years 2009 and 2008 is shown below:

Concept	Non Life		Life		Total	
	2009	2008	2009	2008	2009	2008
Premiums	(1,477.27)	(1,220.92)	(161.28)	(293.00)	(1,638.55)	(1,513.92)
Variation in the provision for unearned premiums and for risks in progress	42.48	77.58	(0.25)	1.09	42.23	78.67
Claims paid and variation in the provision for claims	702.52	857.33	93.39	222.01	795.91	1,079.34
Variation in other technical provisions	1.46	-	4.15	1.02	5.61	1.02
Participation of reinsurance in fees and expenses	178.57	138.18	37.87	66.57	216.44	204.75
Others	-	-	-	(0.41)	-	(0.41)
Result of ceded and retroceded reinsurance	(552.24)	(147.83)	(26.12)	(2.72)	(578.36)	(150.55)

FIGURES IN MILLION EUROS

6.21. FISCAL SITUATION

TAX CONSOLIDATION REGIME

From the 1985 financial year, part of the consolidated companies with registered office in Spain are included under Fiscal Group 9/85 to the effects of the Corporation Tax, the said group being formed by the controlling Company and its subsidiaries meeting the requirements to be subject to the said tax regime. The subsidiaries that form part of the said Fiscal Group in 2009 are detailed in Appendix 1 of this annual report.

ELEMENTS OF EXPENSE FROM INCOME TAX AND RECONCILIATION OF THE ACCOUNTING RESULT WITH THE TAX COST OF ONGOING CONCERNS

Detail is provided below, for financial years ended as at 31 December 2009 and 2008, of the main elements of expense from income tax of ongoing concerns and the reconciliation between the expense from income tax and the product of multiplying the accounting result by the applicable tax rate. The Group has made the reconciliation by aggregating reconciliations made separately using the national rates of each country.

Concept	Amount	
	Financial Year 2009	Financial Year 2008
Expense arising from taxes		
Result before taxes, ongoing concerns	1,446.17	1,383.26
30% of result before taxes, ongoing concerns	433.85	414.98
Tax effect of permanent differences	(12.50)	(20.31)
Tax incentive of the year	(9.14)	(0.26)
Tax effect from tax rates different from 30%	16.33	7.37
Total expense from current tax originating in the financial year	428.54	401.78
Total expense from current tax originating in previous years	(18.50)	7.52
Credits from negative tax bases not recognised from previous periods, deductions pending application or temporary differences	(2.27)	(24.16)
Total expense from taxes of ongoing concerns	407.77	385.14
Tax on profits to be paid		
Withholdings and interim payments	(222.57)	(215.59)
Temporary differences	(48.26)	22.26
Tax credits and incentives applied, registered in previous years	(2.58)	(5.95)
Tax on profits from discontinued operations	(0.55)	(0.28)
Net tax to be paid on profits	133.81	185.58

FIGURES IN MILLION EUROS

Deductions from double taxation have not been taken into account in the table above, since they are mainly related to dividends collected from subsidiaries eliminated in the consolidation process.

DEFERRED TAX ASSETS

The following tables provide a breakdown of movements for financial years 2009 and 2008 of the deferred tax assets heading, detailing their amount in relation to items directly debited or credited to equity accounts in each financial year.

FINANCIAL YEAR 2009

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	From:		Cancellations	Closing balance
				Results	Equity		
- Valuation difference in financial investments	119.49	-	-	14.20	63.86	-	197.55
- Valuation difference in mathematical reserves:							
• Adaptation to new tables	3.03	-	-	(0.24)	-	-	2.79
• Shadow accounting	128.23	-	-	9.16	50.87	-	188.26
- Valuation difference in the provision for burial insurance	6.88	-	-	-	-	(1.67)	5.21
- Tax credits on negative tax bases	27.35	-	-	11.53	-	(17.34)	21.54
- Credits on tax incentives	2.58	-	-	26.96	-	(29.54)	-
- Pension complements and other staff related commitments	89.32	15.76	-	4.73	-	(25.44)	84.37
- Provisions for outstanding premiums	12.91	(0.13)	-	8.00	-	(7.87)	12.91
- Sale of property developments pending delivery	0.22	-	-	(0.20)	-	-	0.02
- Provisions for liabilities and others	44.02	0.27	-	9.59	-	(4.03)	49.85
- Technical provision for claims	106.00	(2.95)	-	(7.92)	-	(0.19)	94.94
- Other concepts	45.59	7.09	-	25.44	-	(23.73)	54.39
Total	585.62	20.04	-	101.25	114.73	(109.81)	711.83

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	From:		Cancellations	Closing balance
				Results	Equity		
- Valuation difference in financial investments	9.26	(3.34)	-	(1.60)	159.84	(44.67)	119.49
- Embedded derivatives	1.86	-	-	0.65	-	(2.51)	-
- Valuation difference in mathematical reserves:							
• Adaptation to new tables	3.12	-	-	(0.09)	-	-	3.03
• Shadow accounting	138.04	4.05	0.98	(26.34)	12.32	(0.82)	128.23
- Valuation difference in the provision for burial insurance	6.06	-	-	0.82	-	-	6.88
- Capital increase and other expenses subject to amortisation	4.21	-	-	(0.02)	-	(4.19)	-
- Tax credits on negative tax bases	6.85	-	-	24.41	-	(3.91)	27.35
- Credits on tax incentives	8.53	-	-	3.33	-	(9.28)	2.58
- Pension complements and other staff related commitments	98.78	(0.93)	-	1.72	-	(10.25)	89.32
- Provisions for outstanding premiums	12.45	(0.02)	-	0.59	-	(0.11)	12.91
- Sale of property developments pending delivery	0.64	-	-	(0.42)	-	-	0.22
- Provisions for liabilities and others	51.26	-	-	4.37	-	(11.61)	44.02
- Technical provision for claims	-	-	106.00	-	-	-	106.00
- Other concepts	15.16	(0.14)	-	40.10	-	(9.53)	45.59
Total	356.22	(0.38)	106.98	47.52	172.16	(96.88)	585.62

FIGURES IN MILLION EUROS

Deferred tax assets of the fully consolidated companies, as a consequence of negative tax bases pending application and of the deductible temporary differences accumulated as at 31 December 2009 and 2008, amount to € 748.71 million and € 591.25 million, respectively.

Of the total amount of deferred tax assets, the balance sheet and the equity or results accounts include € 711.83 million as at 31 December 2009 and € 585.62 million as at 31 December 2008.

The remaining deferred tax assets accumulated as at 31 December 2009 and 2008, which amount to € 36.88 million and € 5.63 million, respectively, have not been accounted for pursuant to IFRS principles.

DEFERRED TAX LIABILITIES

The following tables show the movements of the deferred tax liabilities heading for financial years 2009 and 2008:

FINANCIAL YEAR 2009

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	From:		Cancellations	Closing balance
				Results	Equity		
- Valuation difference in financial investments	199.74	2.06	-	(20.92)	272.45	(10.56)	442.77
- Valuation difference in mathematical reserves due to shadow accounting	3.22	-	-	17.23	4.46	-	24.91
- Embedded derivatives	0.23	-	-	(0.07)	-	-	0.16
- Stabilisation and catastrophe provision	134.46	-	-	27.75	-	(1.74)	160.47
- Portfolio acquisition expenses and other acquisition expenses	194.78	(1.54)	-	(5.55)	-	-	187.69
- Translation differences in non monetary items	-	-	-	-	4.76	-	4.76
- Others	49.11	(5.95)	-	45.47	-	(39.14)	49.49
Total	581.54	(5.43)	-	63.91	281.67	(51.44)	870.25

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concept	Opening balance	Adjustments to opening balance	Changes in perimeter	From:		Cancellations	Closing balance
				Results	Equity		
- Valuation difference in financial investments	268.88	-	2.82	(5.95)	(26.16)	(39.85)	199.74
- Embedded derivatives	-	-	-	0.23	-	-	0.23
- Stabilisation and catastrophe provision	120.78	-	-	21.88	-	(8.20)	134.46
- Portfolio acquisition expenses and other acquisition expenses	-	-	202.79	(8.01)	-	-	194.78
- Others	38.60	(3.15)	-	17.11	-	(0.23)	52.33
Total	428.26	(3.15)	205.61	25.26	(26.16)	(48.28)	581.54

FIGURES IN MILLION EUROS

The balance of "Others" includes the deferred tax liability arising from the amortisation expense of goodwill at non resident entities, amounting to € 22.5 million and € 10.48 million as at 31 December 2009 and 2008, respectively.

The full amount of deferred tax liabilities of fully consolidated companies as a consequence of accumulated temporary differences as at 31 December 2009 and 2008 has been recorded in the balance sheets as at the said dates.

NEGATIVE TAX BASES

The breakdown of negative tax bases pending set-off in fully consolidated companies at the end of the last two financial years is as follows:

Year of generation	Deadline for their application	Amount of negative tax bases				Deferred tax asset			
		Applied in financial year		Pending application		Amount recorded		Amount not recorded	
		2009	2008	2009	2008	2009	2008	2009	2008
2003	2018	17.74	11.81	-	17.74	-	4.37	-	0,95
2004	2019	25.91	0.32	-	25.91	-	7.62	-	0,15
2005	2020	10.67	0.34	39.95	50.62	8.59	11.39	3.39	3,80
2006	2021	0.21	0.58	11.30	11.51	2.98	3.04	0.41	0,41
2007	2022	1.49	-	1.82	3.31	0.23	0.67	0.32	0,32
2008	2023	1.79	-	110.80	0.85	7.54	0.26	25.70	-
2009	2024	-	-	30.85	-	2.20	-	7.06	-
Total		57,81	13.05	194.72	109.94	21.54	27.35	36.88	5.63

FIGURES IN MILLION EUROS

Assets accounted for in relation to deferred taxes on negative tax bases pending set-off in consolidated companies correspond with negative tax bases generated as a result of unusual management events, and future tax profits are likely to exist against which they may be offset.

TAX INCENTIVES

The detail of tax incentives in fully consolidated companies for financial years 2009 and 2008 is as follows:

Type	Amount applied in financial year		Amount pending application		Amount not recorded		Deadline for application
	2009	2008	2009	2008	2009	2008	
Deduction on double taxation	17.82	3.33	-	-	-	-	-
Others	11.72	5.95	-	2.58	-	-	-
Total	29.54	9.28	-	2.58	-	-	-

FIGURES IN MILLION EUROS

VERIFICATION BY THE TAX AUTHORITIES

Pursuant to the legislation in force, the tax returns filed for the different taxes may not be considered as definitive until they have been inspected by the tax authorities or until the prescription period (four years for Spanish companies) has elapsed.

As at 31 December 2009, fully consolidated companies have open to inspection all the taxes to which they are subject corresponding to the maximum prescription period in each one of the countries they operate. In the opinion of the Group's advisers, the likelihood of fiscal liabilities affecting significantly consolidated companies' financial position as at 31 December 2009 is remote.

The most important tax assessments on the MAPFRE GROUP corresponding to the corporation tax, withholdings on capital gains and personal income tax and others of financial years 1989 to 2001 amount to € 31.4 million, most of which relate to short term temporary differences. Appeals with the relevant authorities have been lodged with respect to all these tax assessments and they are pending resolution at year end. In the opinion of the Group's advisers, the likelihood of significant unrecorded fiscal liabilities emerging in this concept is remote.

6.22 REMUNERATION TO STAFF AND RELATED LIABILITIES

STAFF EXPENSES

The breakdown of staff expenses in the last two financial years is shown in the following table:

Concept	Amount	
	2009	2008
Short term remuneration		
Wages and salaries	840.57	745.38
Social security	236.36	206.36
Other remuneration	79.25	34.05
Post-employment benefits		
Defined contribution commitments	11.74	1.60
Defined benefit commitments	1.28	12.08
Other long term remuneration	0.36	0.03
Termination payments	8.16	8.83
Share-based payments	1.95	0.68
Total	1,179.67	1,009.01

FIGURES IN MILLION EUROS

POST-EMPLOYMENT BENEFITS

A) DESCRIPTION OF THE DEFINED BENEFIT PLANS IN FORCE

The defined benefit plans in force, all of which are instrumented through insurance policies, are valued pursuant to the provisions detailed in the accounting policies, and are those where the benefit is determined according to end salaries, with a benefit paid as a for life annuity, subject to review according to the annual consumer price index (CPI) or by way of a benefit in the form of capital.

In the present financial year, the commitments related to defined benefit plans have been cancelled and the defined benefit plans corresponding to all working staff enjoying the said entitlement have been liquidated, being replaced by defined contribution plans. In the settlement process, the affected members have assigned their rights under the defined benefit system, which have thus become terminated, the entities have exercised the redemption right established for this event and have compensated each relevant member with a figure equivalent to the amount of his/her cumulative rights as at the liquidation date.

B) AMOUNTS RECOGNISED IN THE BALANCE SHEET

On the one hand, there are obligations relating to defined benefit plans amounting to € 64.46 million and € 177.04 million, respectively, as at 31 December 2009 and 2008, which are fully externalised by means of policies entered into with MAPFRE VIDA and MAPFRE FAMILIAR in 2008 and with MAPFRE VIDA in 2009, there being consequently no assets recognised as allocated to these plans.

In addition, there are obligations on pension related commitments that are externalised with allocated insurance policies amounting to € 14.49 million and € 14.87 million as at 31 December 2009 and 2008, respectively.

Reconciliation with the present value of the obligation

The reconciliation of the present value of the obligation arising from defined benefit plans in the last two years is shown below:

Concept	2009	2008
Present value of obligation as at 1st January	191.91	195.51
Cost of services in the year under review	2.65	4.73
Interest cost	5.74	11.89
Contributions made by plan members	-	-
Actuarial losses and gains	(1.96)	8.97
Changes from variations in the exchange rate	-	-
Benefits paid	(25.42)	(29.19)
Cost of past services	-	-
Business combinations	-	-
Reductions	-	-
Liquidations	(92.59)	-
Other concepts	(1.38)	-
Present value as at 31st December	78.95	191.91

FIGURES IN MILLION EUROS

Actuarial losses in financial year 2008 were due to the interest rate applied to the calculation of the present obligation as at 31 December 2008 according to the zero coupon rates curve on the said date, since it entailed a decrease with respect to the rate used in the calculation of the present value of the obligation as at 31 December 2007.

The amount shown under "Liquidations" in 2009 relates to the liquidation of the defined benefit plan that is described above.

Reconciliation of the opening and closing balance of assets allocated to the plan

The following table details the reconciliation of the opening and closing balance of assets allocated to the plan in the last two financial years.

Concept	2009	2008
Value of assets allocated to the plan as at 1st January	14.87	14.61
Expected return from assets allocated to the plan	0.60	0.71
Actuarial losses and gains	-	0.30
Changes from variations in the exchange rate	-	-
Contributions made by employer	-	-
Contributions made by members	-	-
Benefits paid	(0.76)	(0.75)
Other concepts	(0.22)	-
Value of assets allocated to the plan as at 31st December	14.49	14.87

FIGURES IN MILLION EUROS

C) AMOUNTS RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

The following table details the amounts recognised in the consolidated income statement of financial years 2009 and 2008.

Concept	2009	2008
Cost of services in year under review	2.65	4.73
Interest cost	5.74	11.89
Return expected from assets allocated to the plan and from assets allocated to covering mathematical reserves	(5.78)	(12.34)
Actuarial losses and gains	(1.33)	7.80
Cost of past services recognised in the year	-	-
Other concepts	-	-
Total expense recognised in the income statement	1.28	12.08

FIGURES IN MILLION EUROS

Actuarial losses and gains are due to the variations in the interest rate applied to the calculation of the present actuarial value of the obligation on the closing of each financial year with respect to the previous one.

D) RETURNS

The expected rate of return is determined according to the interest rate guaranteed in the allocated insurance policies.

The actual return of the assets allocated to the plan, as well as of the investments allocated to the cover of mathematical reserves, amounted to € 7.05 million and € 10.50 million in 2009 and 2008, respectively.

E) ASSUMPTIONS

The main actuarial assumptions used on the closing date are as follows:

Concept	2009	2008
DEMOGRAPHICAL ASSUMPTIONS		
Mortality tables	-	GKM/F-95
Survival tables	PERM/F-2000	PERM/F-2000
FINANCIAL ASSUMPTIONS		
Discount rate	4.07%	3 - 3.78%
Average annual salary increase	-	5%
Average annual CPI	3%	3%
Expected return from allocated assets	4.07%	3.78%

F) ESTIMATES

Contributions to the defined benefit plans in financial year 2010 are not envisaged.

SHARE-BASED PAYMENTS

The controlling Company's Extraordinary Shareholders Meeting, held on 4 July 2007, approved the incentive plan linked to the value of the shares for the MAPFRE Group's officers as described below:

— Formula: Each member is granted the right to earn, in cash, the amount resulting from multiplying the number of shares in MAPFRE, S.A. assigned in theory, by the difference between the simple arithmetical mean of the closing share price during the stock market sessions of the 30 market days prior to the reporting date of the year and the simple arithmetical mean of the closing price

during the stock market sessions corresponding to the 30 business days immediately preceding the date of inclusion into the scheme. Nevertheless, in the initial group of members, this reference was replaced with the closing share price of 31 December 2007, which was € 3.42 per share.

— Exercise of the right: The right shall be liable of exercise as to a maximum of 30% during the month of January of the fourth year, a maximum of 30% during the month of January of the seventh year, and the remainder during the month of January of the tenth year. All rights granted shall be exercised, at the latest, on the last day of the third period above mentioned.

The number of reference shares taken into account to the effects of calculation of the remuneration amounted to 8,845,030 shares in 2008 and to 8,698,831 shares in 2009, with the exercise price being, as mentioned above, of € 3.42 per share.

A cancellation has taken place during the year, due to the member's no longer forming part of the entity's staff by the date of exercise of the option, as required under the provisions of the plan.

In order to obtain the fair value of the granted options, a valuation model based on binomial trees has been applied to the calculation, taking the following parameters into account:

— Risk-free interest rate: the zero coupon rate arising from the IRS (Interest Rate Swap) curve for the Euro for the maturity term of the option.

— Dividend yield: that resulting from the dividends paid against the latest financial year closed (2008) and the closing share price of financial year 2009.

— Volatility of the underlying asset: that resulting from the performance of the MAPFRE share price during financial year 2009.

According to the above mentioned parameters, the said remuneration system is measured and recognised in the income statement pursuant to the rules explained in Note 5.19 of the annual report. Personnel expenses accounted for in the income statement in this concept amount to € 1.95 million and € 0.68 million in 2009 and 2008, respectively, with a liability being recognised for the same amount.

In order to cover the expense for this concept as at the date of exercise of the right, two equity swaps were contracted during the 2008 financial year over 8,625,733 shares and 219,297 shares, with a strike price of € 3.2397 and € 2.6657, respectively. At the closing of 2009 and 2008, the market value of the said equity swaps, amounting to € 2.64 million and € 7.9 million, respectively, is included under "Other financial liabilities", with the variation in the year being recorded in the consolidated income statement.

STAFF NUMBERS

The following table shows the number of employees at the end of the last two financial years, classified by categories and sex, and distributed by geographical segments.

Geographical segment	Officers				Clerks				Salespeople				Others				Total			
	Men		Women		Men		Women		Men		Women		Men		Women		Men		Women	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Spain	1,343	1,663	506	446	1,877	1,676	7,519	3,322	1,699	1,249	982	953	1,310	1,573	1,142	5,709	6,229	6,161	10,149	10,430
United States of America	240	143	245	148	418	278	1,366	926	-	6	4	21	258	141	238	127	916	568	1,853	1,222
Brazil	200	277	83	83	312	253	579	477	264	286	386	398	748	661	572	526	1,524	1,477	1,620	1,484
Mexico	64	64	21	16	161	145	125	134	153	169	246	238	478	385	296	212	856	763	688	600
Venezuela	36	25	17	16	186	180	246	225	93	109	183	225	410	327	375	359	725	641	821	825
Colombia	34	15	21	5	80	95	90	113	47	65	136	172	241	204	216	138	402	379	463	428
Argentina	41	29	7	3	302	331	584	566	362	443	226	258	651	594	327	299	1,356	1,397	1,144	1,126
Turkey	44	29	22	16	60	74	133	130	30	17	28	24	58	53	75	59	192	173	258	229
Chile	23	23	11	7	131	121	348	296	43	60	98	119	134	116	91	82	331	320	548	504
Other countries	288	228	152	108	659	785	947	1,097	321	421	384	397	881	662	619	502	2,149	2,096	2,102	2,104
Average total number of employees	2,313	2,496	1,085	848	4,186	3,938	11,937	7,286	3,012	2,825	2,673	2,805	5,169	4,716	3,951	8,013	14,680	13,975	19,646	18,952

6.23. NET RESULTS OF EXCHANGE DIFFERENCES

Positive exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amount to € 179.49 million and € 301.69 million in financial years 2009 and 2008, respectively.

Negative exchange differences other than those arising from financial instruments measured at fair value, allocated to the consolidated income statement, amount to € 184.12 million and € 230.34 million in financial years 2009 and 2008, respectively.

The reconciliation of the translation differences recognised in equity at the beginning and the end of the year, in 2009 and 2008, is shown below.

Description	Amount	
	2009	2008
Translation differences at the beginning of the year	(144.59)	(35.11)
Net exchange differences on valuation of non monetary items	4.69	(0.51)
Net exchange differences on translation of financial statements	10.25	(108.97)
Translation differences at year end	(129.65)	(144.59)

FIGURES IN MILLION EUROS

As at 31 December 2009 and 2008, net exchange differences arising from the translation into Euros of the financial statements of those Group companies whose functional currency is not the Euro are:

Company/Sub group	Geographical area	Translation differences					
		Positive		Negative		Net	
		2009	2008	2009	2008	2009	2008
Fully consolidated companies:							
MAPFRE RE	Europe, America and rest of the world	-	0.37	(24.80)	(40.21)	(24.80)	(39,84)
MAPFRE AMÉRICA	America	12.68	1.62	(68.72)	(93.50)	(56.04)	(91,88)
MAPFRE INTERNACIONAL	Europe, America and rest of the world	17.91	77.17	(55.38)	(58.52)	(37.47)	18,65
OTHERS	-	7.54	5.25	(17.38)	(30.87)	(9.84)	(25,62)
Companies recorded by the equity method	-	-	-	(1.21)	(0.92)	(1.21)	(0,92)
Total		38,13	84.41	(167.49)	(224.02)	(129.36)	(139.61)

FIGURES IN MILLION EUROS

6.24. CONTINGENT ASSETS AND LIABILITIES

At the end of financial years 2008 and 2007 and until the preparation of the financial statements, there is no evidence of the existence of contingent assets and liabilities for significant amounts.

6.25. BUSINESS COMBINATIONS

CARRIED OUT DURING FINANCIAL YEARS 2009 AND 2008

During financial years 2009 and 2008 several shareholding interests were acquired, the most significant ones being the stakes in ASEGURADORA MUNDIAL y MUNDIAL DESARROLLO in 2009 and in COMMERCE, DUERO VIDA and DUERO PENSIONES in 2008. The fair value of the identifiable assets and liabilities on the acquisition of the said interests is as follows:

Concept	Financial Year 2009		Financial Year 2008		
	ASEGURADORA MUNDIAL	MUNDIAL DESARROLLO	COMMERCE	DUERO VIDA	DUERO PENSIONES
ASSETS					
Portfolio acquisition expenses	-	-	31.20	52.90	15.17
Other intangible assets	1.63	7.80	20.97	-	-
Property, plant and equipment	3.73	0.67	40.37	0.02	0.01
Investments	104.06	27.65	1,659.22	445.36	4.41
Credits and receivables	37.54	32.44	355.92	2.81	0.11
Other assets	37.70	10.38	460.13	6.06	4.46
TOTAL ASSETS	184.66	78.94	2,567.81	507.15	24.16
LIABILITIES					
Technical provisions	99.87	18.27	1,245.12	282.10	-
Debts	44.38	20.67	344.79	124.66	1.03
Other liabilities	-	2.55	97.96	23.92	5.47
TOTAL LIABILITIES	144.25	41.49	1,687.87	430.68	6.50
Fair value of net assets	40.41	37.45	879.94	76.47	17.66
Interest purchased	56.649%	57.06%	100%	50%	50%
Fair value of the percentage of purchased net assets	22.89	21.37	879.94	38.23	8.83
Goodwill	21.46	3.03	635.48	70.12	13.38
Total cost	44.35	24.40	1,515.42	108.35	22.21

FIGURES IN MILLION EUROS

The above stated fair values differ from the values in the accounts of the entities prior to the combination, mainly due to portfolio acquisition expenses, which are not recorded on their books.

The total cost of the combinations in 2008 includes costs directly attributable to them amounting to € 8.09 million, in the concept of independent professional, legal and financial advisory fees.

When applicable, the total cost includes the amount of deferred payments.

Taking into account that the date of incorporation of acquired stakes in year 2009 to the consolidation perimeter was 30 December, they have not contributed any amount whatsoever to the Group's net result. If said combinations had been carried out at the beginning of the year, they would have contributed € 144.58 to the Group's premiums and € 4.35 million to net profit.

Other business combinations with a lower cost, carried out during financial year 2009, were FINLOG-ALUGUER E COMERCIO DE AUTOMOVEIS, S.A.; AZUL CENTROS RESIDENCIALES, S.A. and SERVICIOS FUNERARIOS DEL NERVIÓN, S.L.; and during financial year 2008 they were MAPFRE CAPITALIZAÇÃO, MAPFRE ATLAS, LIB ASSIST and NILE ASSIST (see Appendix 1).

BUSINESS COMBINATIONS IN PROGRESS

A letter of intention has been signed with BANCO DO BRASIL contemplating negotiations about setting up a strategic alliance in the personal, general insurance and motor lines. The agreement will consolidate the partners' joint position in the sector and will give rise to one of the leading insurance groups in Brazil, with a market share of 16%, which will rank number 1 in personal insurance and number 2 in property insurance.

MAPFRE has entered into an agreement to buy 50% in FINIBANCO VIDA, the Life assurance subsidiary of FINIBANCO (Portugal). Pursuant to this agreement, FINIBANCO will be the exclusive distributor through its banking network of Life products of FINIBANCO VIDA and Non Life products of MAPFRE SEGUROS GERAIS, a MAPFRE INTERNACIONAL subsidiary. In turn, MAPFRE will boost

and promote in its agent network in Portugal the distribution of some of the bank's financial products.

6.26. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties have been carried out in market conditions.

TRANSACTIONS WITH GROUP COMPANIES

The transactions carried out between Group companies, with a null effect on results because they have been eliminated in the consolidation process, are detailed below:

Concept	Expenses		Revenues	
	2009	2008	2009	2008
Received/provided services and other expenses/revenues	426.55	268.02	427.47	269.81
Expenses/revenues from investment property	21.42	21.61	22.80	20.93
Expenses/revenues from investments and financial accounts	19.06	37.46	30.48	33.12
Dividends paid out	-	-	982.63	641.19
Total	467.03	327.09	1,463.38	965.05

FIGURES IN MILLION EUROS

REINSURANCE AND COINSURANCE TRANSACTIONS

Reinsurance and coinsurance transactions carried out between companies of the consolidatable Group, which have been eliminated in the consolidation process, are shown below:

Concept	Amount	
	2009	2008
Ceded/accepted premiums	960.23	835.91
Claims	529.47	502.02
Variation in technical provisions	28.11	3.83
Commissions	188.25	179.87

FIGURES IN MILLION EUROS

The following tables detail the balances with reinsurers and ceding companies, deposits established and technical provisions on reinsurance transactions with companies of the consolidatable Group, which have been eliminated in the consolidation process:

Concept	Accepted reinsurance		Ceded reinsurance	
	2009	2008	2009	2008
Credits and debts	(164.89)	(92.80)	164.89	92.80
Deposits	135.60	159.60	(135.60)	(159.60)
Technical provisions	(802.73)	(797.25)	802.73	797.25
Total	(832.02)	(730.45)	832.02	730.45

FIGURES IN MILLION EUROS

REMUNERATION OF KEY MANAGERIAL STAFF

The following table details the remuneration earned in the last two financial years by key managerial staff (understanding as such the members of the Board of Directors, Management Committee and Delegate Committees of the controlling Company):

Concept	Amount	
	2009	2008
Short term remuneration		
Salaries	6.30	6.56
Fixed allowances	2.09	1.98
Attendance fees	0.88	0.98
Life assurance	0.12	0.12
Other concepts	0.06	0.19
Post-employment remuneration		
Defined benefits	0.75	4.61
Defined contribution	6.90	0.01
Share-based payments	0.45	0.17
Total	17.55	14.62

FIGURES IN MILLION EUROS

External directors' basic remuneration consists of a fixed annual allowance for their belonging to the Board of Directors, which amounted to € 43,171 in 2009 and to € 42,200 in 2008. The said amount rises by 50% for those directors fulfilling the position of Chairman or Vice Chairman of the Board or chairing a Commission or Delegate Committee, there not being, however, cumulative increases when the same person fulfils more than one office.

In addition, they benefit from a Life assurance policy with an insured capital of € 150,253 and enjoy some of the benefits extended to staff, such as medical insurance.

External directors belonging to Commissions or Delegate Committees also receive an attendance allowance, which amounted to € 4,317 and € 4,220 in 2009 and 2008, respectively, for attending the Delegate Commission and to € 3,778 and € 3,693, respectively, for attending other Committees.

Executive directors (understanding as such both the company's executives and those fulfilling executive offices in other MAPFRE GROUP entities) receive the remuneration established in their contracts, including fixed salary, bonuses with varying amounts linked to results, life and disability insurance and other benefits generally established for the Entity's staff; in addition, certain pension complements have been acknowledged to them for the event of retirement, externalised through a life insurance policy, it all according to the remuneration policy established by the Group for its senior managerial staff, whether or not they are directors.

These complements were materialised in defined benefit plans that were liquidated in 2009 and replaced with defined contribution plans, as described in note 6.22 of the annual report. Key managerial staff has received, as a compensation arising from the said liquidation, the amount of € 35.18 million against the cumulative redemption values as at the liquidation date, and therefore the said compensation has not represented any expense for the Group in the year.

Executive directors, however, do not earn the remuneration established for external directors. Executive directors earn an allowance for their attending the Delegate Commission, which amounted to € 4,317 and € 4,220 in 2009 and 2008, respectively, as well as, when applicable, a fixed remuneration as Chairmen of the Territorial Board.

The basic remuneration package of external directors is approved by the General Shareholders Meeting at the proposal of the Board of Directors and pursuant to the report issued by the Nomination and Remuneration Committee. The remuneration of executive directors, attendance fees of the external members of Commissions and Delegate Committees and the fixed allowance for the chairmanship of Territorial Boards are approved by the Board of Directors, pursuant to the report issued by the said Committee.

6.27 EVENTS AFTER THE BALANCE SHEET DATE

The devaluation of the Venezuelan Bolivar that has taken place in January 2010, which entails the use of an exchange rate of VEB 4.30 to the USD, has the following effects on the Group's consolidated equity and results, as per MAPFRE LA SEGURIDAD's consolidated financial statements as at 31 December 2009:

- A negative effect on equity amounting to € 49.94 million.
- A positive effect on results for a net amount of € 27.99 million, as a consequence of the positive translation difference arising from the investment positions held in USD by the Venezuelan entity.

7. Risk management

RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCESSES

MAPFRE has a Risk Management System (SGR) in place based on the integrated management of each and every one of the entity's business processes, and on the adaptation of the risk level to the established strategic objectives. The different types of risks have been grouped under four areas, or categories, as detailed below:

Operational Risks	Includes twenty-three types of risks grouped under the following areas: <i>actuarial, legal, technology, staff, collaborators, procedures, reporting, fraud, market, and tangible assets.</i>
Financial Risks	Includes interest rate, liquidity, exchange rate, market and credit risks.
Insurance Activity Risks	It groups, separately for Life and Non Life, risks arising from inadequacy of premiums, adequacy of technical provisions and reinsurance.
Strategic and Corporate Governance Risks	Includes the corporate ethics and corporate governance risks, and risks on organisational structure, alliances, mergers and acquisitions, regulatory and, lastly, competition risks.

CENTRALISATION OF THE RISK MANAGEMENT SYSTEM

The MAPFRE structure is based on Units and Operating Companies having a high degree of autonomy in their management. The Group's governance and management bodies approve the lines of action of the Units and Companies as regards risk management, and monitor their risk exposures on an on-going basis by means of indicators and ratios. In addition, there are general action guidelines in order to mitigate risk exposure, such as maximum levels of investment in equities or credit rating of reinsurers.

The Economic and Management Control Area, through the Risk Management, coordinates the activities related to the quantification of risks and, in particular, the implementation of capital models in the operating units and the analysis of the quantitative impact of the future Solvency II regulations.

Operating Units have a Risk Coordinator, reporting to the Administration Management, for the implementation of risk policies and risk management in each unit. The coordination of activities for the implementation of Risk Quantification Models is carried out through the Risk and Solvency II Committee. The degree of progress in projects and other significant aspects are reported to MAPFRE's Senior Management through the Audit Committee.

In general terms, decisions on the underwriting of insurable risks and reinsurance covers are highly decentralised in the Units. The aspects related to Operational Risk are supervised centrally, although their implementation and monitoring are delegated to the Units. The management of Strategic and Corporate Governance risks is highly centralised. Financial risks are managed centrally through the Group's Investment General Management.

ESTIMATION OF RISKS AND CAPITALS

MAPFRE has in place an internal capitalisation and dividend policy aimed at providing the Units, rationally and objectively, with the required capital to meet the risks they have assumed. Risk estimation is made by means of a standard fixed factors model that quantifies financial risks, credit risks and insurance activity risks. In addition, the level of capital allocated to each Unit will never be lower than the legally required minimum from time to time plus a margin of 10%.

Allocated capital is determined pursuant to an estimation based on the budgets for the following year and is revised at least once a year, according to the evolution of risks.

Certain units require a capitalisation level higher than that arising from the above described general rule, either because they operate in countries having different legal requirements, or because they are subject to higher financial solvency rules because of their rating. In those cases, MAPFRE's Management Committee determines the capitalisation level on a case by case basis.

OPERATIONAL RISKS

The identification and assessment of Operational Risks are carried out by means of the computer application Riskmap, developed by MAPFRE, which prepares the entities' risk maps, analysing the significance and probability of occurrence of the different risks.

Likewise, Riskmap is established as the corporate tool to deal with control activities (process manuals, lists of controls associated to risks and assessment of their effectiveness).

The management model for the operational risk is based on a dynamic analysis by business processes, in such a way that the managers of each area or department identify and assess the potential risks affecting the following processes: Product Development, Underwriting, Claims / Benefits, Administrative Management, Marketing Activities, Human Resources, Commissions, Coinsurance / Reinsurance, Technical Provisions, Investments, IT Systems, and Client Service.

FINANCIAL RISKS

MAPFRE mitigates its exposure to this type of risk by means of a prudent investment policy, with the portfolio being heavily weighted in top quality fixed-income securities.

In the management of investment portfolios, differentiation is made between those seeking to match the obligations arising from insurance contracts and those subject to active management. The former minimise exchange rate risks as well as interest rate and other risks of variation in prices, while the latter maintain a management policy with a certain degree of market risk assumption, along the following lines:

- In the portfolios not covering long term liability commitments, the variable in the management of the interest rate risk is the modified duration; at present, the said magnitude must stand between 3% and 7%.
- Exposure to exchange rate risk is minimised in the case of insurance liabilities. Exposure to this type of risk may not exceed a fixed percentage of assets qualified for the cover.
- Investment in equities is subject to a maximum limit of the investment portfolio, as well as to concentration limits per country and sector.
- Risk limitations are established in terms of quantitative variables that are easily observable. Nevertheless, risk analysis in probability terms is carried out, according to historical volatilities and correlations.

With respect to credit risk, MAPFRE's policy is based on holding a diversified portfolio comprising securities being prudently selected on the basis of the issuer's solvency.

Investments in fixed income and equity securities are subject to concentration limits per issuer.

INSURANCE ACTIVITY RISKS

The organisation of MAPFRE, based on Units and Companies specialising in various business lines, requires them to be highly autonomous in the management of their business, in particular in the underwriting of risks and tariff fixing, as well as the indemnities or provision of services in the case of occurrences. Premium adequacy is a particularly important element, and its determination is supported by specific computer applications.

Treatment of claim related benefits, together with the adequacy of provisions, are basic principles of insurance activity. Technical provisions are estimated by the actuarial teams of the different Units and Companies and in certain cases are also reviewed by independent experts. The prevalence of the personal damages business line in MAPFRE, with very short times for the settlement of claims, as well as the scant importance of insured long-tail risks, such as asbestos or professional liability, are elements mitigating this type of risk.

MAPFRE's presence in countries with greater possibilities of occurrence of catastrophes (earthquakes, hurricanes, etc.) requires special treatment of this type of risks, which may give rise to volatility in results or need of additional capitals. The Units and Companies operating in this type of risks, essentially MAPFRE AMÉRICA, MAPFRE INTERNACIONAL and MAPFRE RE, count on expert reports on catastrophe exposure, generally prepared by independent experts, which estimate the extent of the losses that may affect insured risks in the event of occurrence of catastrophes. The underwriting of catastrophic risks is made according to this information and to the economic capital available to the company that underwrites them. When applicable, the equity exposure to this type of risks is mitigated by taking specific reinsurance covers. In this connection, it is important to highlight the contribution of MAPFRE RE, which provides the Group with its extensive experience in the catastrophic risk market.

In relation to reinsurance risk, MAPFRE's policy is to cede business to reinsurers with proven financial capacity (minimum A credit rating by Standard & Poor's).

STRATEGIC AND CORPORATE GOVERNANCE RISKS

The ethical principles applied to corporate management have been a constant feature at MAPFRE and form part of its bylaws and of its day to day work. In order to standardise this corporate culture and adapt it to the legal governance and transparency requirements in management, MAPFRE's Management Bodies approved in 2008 a revised version of the Good Governance Code, in force since 1999. The strict application of Good Corporate Governance principles is considered by MAPFRE as the most efficient way for mitigating this type of risks.

A) INSURANCE RISK

1. SENSITIVITY TO INSURANCE RISK

This sensitivity analysis measures the impact on economic capital of upward and downward fluctuations of the conditioning factors for the said risk (number of insured risks, value of average premium, frequency and cost of claims). A measure of sensitivity to the Non Life assurance risk is the impact that the variation of a percentage point in the combined ratio would have on the results of the year and, consequently, on equity. This information is detailed in the following table, together with the volatility index of the said ratio, calculated according to its standard deviation in a five-year time horizon:

Concept	Impact on results of a 1% variation in the combined ratio		Index of volatility of the combined ratio
	2009	2008	
Main activity in Spain			
Corporates	4.99	5.45	3.2%
Households	29.92	30.66	1.2%
Main activity outside of Spain			
America	16.54	14.09	0.9%
Assistance	2.24	1.88	1.6%
International	11.05	6.31	[*]
Reinsurance	8.29	7.23	2.4%
Consolidated	73.54	66.33	1.1%

FIGURES IN MILLION EUROS

[*] Insufficient information available

For the Life activity, the sensitivity level is shown according to the results from the calculation of the embedded value, which has been made pursuant to the principles and methodology laid down in the so-called "European Embedded Value". The embedded value is obtained by adding to the adjusted equity the present value of the future profits of the managed portfolio (Life and fund management) and deducting the present value of options and guarantees granted to policyholders and the cost of the required regulatory capital.

The methodology to calculate the embedded value is based on the assessment of each one of the risk components in isolation and differentiating between the existing portfolio and the new business attracted during the year. The different components of the embedded value have been calculated as follows:

— Adjusted equity: it is calculated adjusting book equity, measured pursuant to the Accountancy Plan for Insurance Entities, for unrealised capital gains and losses, and decreasing its value in the amount of goodwill, deferred expenses and dividends and donations approved but pending payment.

— Present value of the portfolio's future profits: it is calculated by discounting future profits after taxes of the policies portfolio at present value as at the valuation date on the basis of risk-free rates, and including an estimate of the embedded value of options and financial guarantees granted to policyholders.

— Temporary value of the options and guarantees granted to policyholders: it is the variation in the cost of the said options and guarantees that may result from any potential modifications that may take place in the benefits in favour of policyholders throughout the life of the policy. Its estimation is made by simulating the economic scenarios consistent with different market situations.

— Cost of required capital: it is an estimate of the cost of required capital, including that necessary to cover both financial and non financial risks. In line with market practices, the cost of capital used in the calculation of embedded value as at 31 December 2008 was measured applying a fixed rate of 4% to the minimum amount required for the solvency margin.

Furthermore, the main assumptions used were as follows:

— Discount and reinvestment rates: based on the Euro swap rate curve zero coupon at year end.

— Maintenance expenses: based on an in-house study and indexed to an inflation rate of 2.5%.

— Technical variables (commissions, mortality, disability, redemptions, switches and returns of existing financial assets): on the basis of the entity's data and its own experience.

— Tax rate: 30%.

The following table details the composition of embedded value at the end of financial years 2008 and 2007 (figures for 2009 are not available at the date of drafting the consolidated annual accounts). Data for 2007 only refer to the MAPFRE VIDA, BANKINTER VIDA, CCM VIDA y PENSIONES business and of the life business of MAPFRE VERACRUZ (Brazil), whilst those for 2008 also include the embedded value of DUERO VIDA and DUERO PENSIONES.

Concept	2008	2007 (*)	% variation
Adjusted equity	786.4	614.3	28.0%
Present value of future profits	1,724.0	1,637.9	5.3%
Present value of options and guarantees granted to policyholders	(104.3)	(110.1)	(5.3%)
Cost of required regulatory capital	(214.3)	(202.8)	5.7%
Total embedded value	2,191.8	1,939.3	13.00%

FIGURES IN MILLION EUROS

DUERO VIDA and DUERO PENSIONES contributes € 68.1 million to embedded value.

The variables to which embedded value is more sensitive in 2008 are as follows:

— An increase of 100 basis points in interest rates, which would give rise to a reduction in embedded value of € 49.2 million in the existing portfolio and € 13.6 million in new business.

— A decline of 10% in the portfolio, which would give rise to an increase in embedded value of € 98.0 million in the existing portfolio and € 21.9 million in new business.

The entities having their main activity outside of Spain and operating in the Life line, other than MAPFRE VERACRUZ, essentially operate in risk modalities, albeit their volumes are not significant.

2. CONCENTRATION OF INSURANCE RISK

MAPFRE counts on a high degree of insurance risk diversification since it operates in virtually all insurance lines in Spain and has a wide presence in the international markets.

The Group has in place procedure and limit systems allowing it to control the level of concentration of the insurance risk.

It is usual practice to use reinsurance contracts as an element to mitigate the insurance risk arising from concentration or accumulation of guarantees exceeding the maximum acceptance levels.

2.A) PREMIUM INCOME PER RISK

The following tables show a breakdown of premiums written for direct insurance and accepted reinsurance classified according to the type of business underwritten in the last two financial years:

FINANCIAL YEAR 2009

Concept	Accepted Reinsurance				Direct Insurance				Total
	Life	Non Life		Total	Cat risk	Other risks		Total	
		Cat risk	Other risks			Life	Non life		
Written premiums direct insurance	-	-	-	-	103.82	3,530.54	4,893.15	5,296.78	13,824.29
Accepted reinsurance premiums	175.93	527.48	1,079.09	1,782.50	-	-	-	-	-

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concept	Accepted Reinsurance				Direct Insurance				Total
	Life	Non Life		Total	Cat risk	Other risks		Total	
		Cat risk	Other risks			Life	Non life		
Written premiums direct insurance	-	-	-	-	89.00	3,482.70	4,434.18	4,853.72	12,859.60
Accepted reinsurance premiums	123.85	380.04	941.28	1,445.17	-	-	-	-	-

FIGURES IN MILLION EUROS

2.B) PREMIUM INCOME PER OPERATING SEGMENT AND PER GEOGRAPHICAL AREA

The following tables show written premiums for direct insurance and accepted reinsurance per segment of activity and geographical area in the last two years:

FINANCIAL YEAR 2009

Geographical area	Direct insurance			Reinsurance	Total
	Life	Motor	Others Non Life		
Spain	2,615.31	2,348.47	3,194.64	49.35	8,207.77
United States of America	–	1,098.51	452.39	125.99	1,676.89
Brazil	646.04	562.33	454.30	81.21	1,743.88
Mexico	40.62	150.43	143.69	74.85	409.59
Venezuela	6.99	394.23	452.76	136.17	990.15
Colombia	124.75	41.20	84.60	58.52	309.07
Argentina	22.72	106.91	266.61	46.65	442.89
Turkey	5.54	83.36	123.86	42.28	255.04
Chile	2.28	27.55	109.10	45.36	184.29
Other countries	66.29	141.56	320.26	859.11	1,387.22
Total	3,530.54	4,954.55	5,602.21	1,519.49	15,606.79

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Geographical area	Direct insurance			Reinsurance	Total
	Life	Motor	Others Non Life		
Spain	2,541.92	2,535.32	3,252.18	60.34	8,389.76
United States of America	–	658.56	380.99	34.81	1,074.36
Brazil	565.99	506.74	369.73	34.59	1,477.05
Mexico	40.40	139.52	190.62	81.91	452.45
Venezuela	5.35	200.41	276.78	80.25	562.79
Colombia	85.56	47.01	74.76	55.00	262.33
Argentina	16.86	103.63	229.52	42.00	392.01
Turkey	8.25	90.52	133.28	50.49	282.54
Chile	1.73	33.42	98.60	37.64	171.39
Other countries	56.09	139.15	250.36	794.49	1,240.09
Total	3,322.15	4,454.28	5,256.82	1,271.52	14,304.77

FIGURES IN MILLION EUROS

2.C) PREMIUM INCOME PER CURRENCY

The following table shows written premiums for direct insurance, broken down by currency, in the last two years:

Currency	Financial Year	
	2009	2008
Euro	7,874.09	8,236.21
US Dollar	1,961.19	1,271.71
Brazilian Real	1,659.75	1,437.53
Mexican Peso	286.23	290.26
Argentinean Peso	402.05	378.85
Venezuelan Bolivar	838.13	465.97
Turkish Lira	179.44	215.12
Colombian Peso	237.56	207.60
Chilean Peso	145.98	158.68
Other currencies	239.87	197.67
Total	13,824.29	12,859.60

FIGURES IN MILLION EUROS

3. CLAIMS

Section 3.4 of Note 6.14 of the “Technical Provisions” report provides information on the evolution of claims.

B) CREDIT RISK

1. CREDIT RISK ARISING FROM REINSURANCE CONTRACTS

The following table shows the maximum level of exposure to credit risk and the credit rating of reinsurers in the last two years:

Ceded and retroceded reinsurance	Book value	
	2009	2008
Provision for Life Assurance	154.46	83.78
Provision for claims	1,497.84	1,701.90
Other technical provisions	1.52	0.06
Credits on ceded and retroceded reinsurance transactions	194.57	142.38
Debts on ceded and retroceded reinsurance transactions	(287.92)	(274.72)
Total net position	1,560.47	1,653.40

FIGURES IN MILLION EUROS

The following table shows the breakdown of credits to reinsurers based on their financial solvency:

Credit rating	Book value	
	2009	2008
AAA	17.92	120.03
AA	646.47	324.72
A	518.67	432.16
BBB	158.29	359.51
BB or lower	17.71	117.13
Without credit rating	194.00	299.85
Total net position	1,553.06	1,653.40

FIGURES IN MILLION EUROS

The following table details the type and amount of security granted by reinsurers in the last two financial years:

Type of security	Amount	
	2009	2008
Letters of credit	126.58	-
Guarantees	-	-
Pledge of assets	-	-
Other security	360.29	13.74
Total	486.87	13.74

FIGURES IN MILLION EUROS

The balances corresponding to credits from direct insurance and coinsurance transactions amount to € 2,453.01 million and € 2,412.93 million as at 31 December 2009 and 2008, respectively. The estimated impairment loss is shown in the income statement as stated under accounting policy 5.10).

2. CREDIT RISK ARISING FROM OTHER FINANCIAL INSTRUMENTS

A breakdown is shown below of the fixed-income securities portfolio according to the credit rating of fixed-income issuers and of financial entities, respectively, during the last two years:

Credit rating of issuers	Book Value									
	Portfolio held to maturity		Portfolio available for sale		Trading portfolio		Cash and Banks			
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
AAA	526.81	425.90	8,960.39	9,181.55	838.96	676.79	124.46	274.64		
AA	94.27	13.44	7,262.79	8,037.12	44.81	116.66	202.34	606.39		
A	23.76	18.34	6,171.86	4,621.26	7.48	3.42	373.67	402.04		
BBB	14.98	11.74	816.32	568.99	2.71	7.29	93.93	51.87		
BB or lower	216.95	125.05	486.82	169.42	17.21	19.66	36.05	35.83		
Without credit rating	13.56	10.22	75.27	165.96	197.34	32.80	30.62	44.30		
Total	890.33	604.69	23,773.45	22,744.31	1,108.51	856.62	861.07	1,415.07		

FIGURES IN MILLION EUROS

3. FIXED-INCOME SECURITIES IN DEFAULT

The following table shows the age of fixed-income securities in default in the last two years:

Age	2009	2008
Between 1 and 3 months	2.77	-
Between 3 and 6 months	0.31	0.40
Between 6 and 9 months	7.15	-
Between 9 and 12 months	2.11	-
Between 12 and 24 months	0.40	1.48
Over 24 months	13.34	11.86
Total	26.08	13.74

FIGURES IN MILLION EUROS

4. CREDITS AND RECEIVABLES

The following table shows the composition of the credits and receivables heading as at 31 December 2009 and 2008, as well as impairment losses, gains on reversal of impairment, and the amount of the guarantees received in the last two years:

Concept	Net balance in the books		Impairment				Security received	
	2009	2008	Recorded losses		Gains from reversal		2009	2008
			2009	2008	2009	2008		
Credits on direct insurance and coinsurance transactions	2,453.01	2,412.93	(3.11)	(14.51)	1.34	4.05	-	-
Credit on reinsurance transactions	493.67	315.93	(0.32)	-	-	0.66	-	-
Tax credits	79.47	84.32	-	-	-	-	-	-
Corporate and other credits	583.95	335.73	(0.44)	(0.02)	0.86	1.30	-	-
Total	3,610.10	3,148.91	(3.87)	(14.53)	2.2	6.01	-	-

FIGURES IN MILLION EUROS

C) LIQUIDITY RISK

As regards liquidity risk, MAPFRE's policy is based on maintaining cash balances sufficient to cover any contingency arising from its obligations vis-à-vis insured parties and creditors. Thus, as at 31 December 2009, the cash and cash equivalent balance amounted to € 861.07 million (€ 1,415.07 million in the preceding year), equivalent to 3.06% of total financial investments and cash. On the other hand, as regards life and savings insurance, the investment policy preferably applied consists of matching the maturities of investments with obligations entered into under insurance contracts, in order to mitigate the exposure to this type of risk. In addition, most fixed-income investments enjoy high credit ratings and are traded in organised markets, this providing a large capacity of action in view of potential liquidity strains.

Assets with maturities exceeding one year are detailed in the section "Interest rate risks".

In addition, MAPFRE S.A. has in place credit facilities, not drawn down in full, which may be used at the Group's discretion.

1. LIQUIDITY RISK ARISING FROM INSURANCE CONTRACTS

The detail of the estimate timetable of maturities of liabilities under insurance contracts recorded as at 31 December 2009 and 2008 is as follows:

FINANCIAL YEAR 2009

Concept	2010	2011	Cash outflows estimated in year				Beyond	Closing balance
			2012	2013	2014	2015 to 2019		
Provision for Life assurance	2,725.58	1,493.87	1,358.86	1,083.18	1,035.41	3,740.84	5,017.05	16,454.79
Provision for claims	3,678.04	1,051.73	493.03	315.57	174.67	227.81	441.87	6,382.72
Other technical provisions	33.45	18.26	16.75	16.21	16.28	72.78	331.45	505.18
Due on direct insurance and reinsurance transactions	656.51	20.62	6.20	4.14	2.22	0.98	0.03	690.70
Due on reinsurance transactions	382.46	2.33	2.32	2.37	2.37	2.36	0.08	394.29
Total	7,476.04	2,586.81	1,877.16	1,421.47	1,230.95	4,044.77	5,790.48	24,427.68

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concept	2009	2010	Cash outflows estimated in year				Beyond	Closing balance
			2011	2012	2013	2014 to 2018		
Provision for Life assurance	2,639.59	1,585.51	1,292.71	1,216.71	994.00	3,934.01	4,532.69	16,195.22
Provision for claims	3,656.61	1,122.05	503.21	308.62	169.25	227.73	421.39	6,408.86
Other technical provisions	88.15	8.55	8.49	8.48	8.50	35.82	336.86	494.85
Due on direct insurance and reinsurance transactions	666.16	19.71	6.75	4.54	2.48	1.15	0.04	700.82
Due on reinsurance transactions	231.43	4.26	4.25	4.34	4.33	4.33	0.14	253.08
Total	7,281.94	2,740.08	1,815.41	1,542.68	1,178.56	4,203.04	5,291.12	24,052.83

FIGURES IN MILLION EUROS

2. LIQUIDITY RISK ARISING FROM SUBORDINATED AND FINANCIAL LIABILITIES

The detail for the last two years of maturity of outflows, not taking the financial discount into account, corresponding to subordinated and financial liabilities, grouped by maturity, is as follows:

FINANCIAL YEAR 2009

Concept	2010	2011	Maturity in:				Beyond	Total
			2012	2013	2014			
Subordinated liabilities	44.92	34.92	34.92	34.92	34.92	694.45	879.05	
Issuance of debentures and other negotiable securities	25.51	300.51	8.96	159.52	-	-	494.50	
Due to credit institutions	296.83	184.66	34.19	16.81	515.25	28.43	1,076.17	
Other financial liabilities	108.00	74.21	161.37	6.85	29.63	694.09	1,074.15	
Total	475.26	594.30	239.44	218.10	579.80	1,416.97	3,523.87	

FIGURES IN MILLION EUROS

FINANCIAL YEAR 2008

Concept	2009	2010	Maturity in:				Beyond	Total
			2011	2012	2013			
Subordinated liabilities	41.24	51.24	40.75	40.75	40.75	851.26	1,065.99	
Issuance of debentures and other negotiable securities	27.05	27.05	302.05	10.50	186.93	-	553.58	
Due to credit institutions	1,574.91	52.64	37.06	11.13	4.83	314.19	1,994.76	
Other financial liabilities	618.68	134.22	-	-	-	-	752.90	
Total	2,261.88	265.15	379.86	62.38	232.51	1,165.45	4,367.23	

FIGURES IN MILLION EUROS

D) MARKET RISK

MAPFRE's General Investment Management regularly carries out an analysis of sensitivity of the value of the investment portfolio to market risk. Among others, the most usual indicators are the modified duration, for fixed-income securities, and the Value at Risk (VaR) for equity instruments.

1. INTEREST RATE RISK

The following tables detail the significant information for the last two years regarding the level of exposure to the interest rate risk of financial assets and liabilities:

Portfolio	Amount of assets exposed to interest rate risk in fair value					
	Fixed interest rate		Unexposed to risk		Total	
	2009	2008	2009	2008	2009	2008
Held to maturity	669.42	469.65	254.86	271.49	924.28	741.14
Available for sale	22,269.46	21,479.45	2,848.69	3,115.83	25,118.15	24,595.28
Trading	1,162.66	872.24	62.99	66.87	1,225.65	939.11
Total	24,101.54	22,821.34	3,166.54	3,454.19	27,268.08	26,275.53

FIGURES IN MILLION EUROS

Concept	Amount of liabilities exposed to interest rate risk in fair value					
	Fixed interest rate		Unexposed to risk		Total	
	2009	2008	2009	2008	2009	2008
Subordinated liabilities	610.69	713.44	10.00	10.08	620.69	723.52
Issuance of debentures and other negotiable securities	428.01	463.21	-	-	428.01	463.21
Due to credit institutions	150.55	203.71	863.38	1,654.04	1,013.93	1,857.75
Other financial liabilities	78.34	529.19	231.53	189.78	309.87	718.97
Total	1,267.59	1,909.55	1,104.91	1,853.90	2,372.50	3,763.45

FIGURES IN MILLION EUROS

The following tables show a breakdown of financial investments by maturities, average interest rate and modified duration, for years 2009 and 2008:

31 DECEMBER 2009

Concept	Closing balance	Maturity in:						Average interest rate %	Modified duration %
		1 years	2 years	3 years	4 years	5 years	Beyond or undated		
PORTFOLIO HELD TO MATURITY									
Fixed-income securities	890.33	271.59	14.78	126.85	15.91	82.33	378.87	8.79	3.80
Other investments	33.95	22.27	0.30	-	0.03	-	11.35	2.00	-
Total portfolio held to maturity	924.28	293.86	15.08	126.85	15.94	82.33	390.22	-	-
PORTFOLIO AVAILABLE FOR SALE									
Fixed-income securities	23,773.45	2,394.75	1,773.18	1,816.73	1,832.13	2,930.38	13,026.28	4.18	5.85
Other investments	261.94	77.86	0.01	-	-	0.01	184.06	1.86	-
Total portfolio available for sale	24,035.39	2,472.61	1,773.19	1,816.73	1,832.13	2,930.39	13,210.34	-	-
TRADING PORTFOLIO									
Swaps	3.24	3.22	0.02	-	-	-	-	0.70	0.26
Options	11.23	3.22	0.03	4.79	-	3.19	-	-	-
Fixed-income securities	1,108.51	686.01	35.91	119.12	16.78	28.47	222.22	8.80	3.80
Others	76.03	73.34	-	-	-	-	2.69	1.72	-
Total trading portfolio	1,199.01	765.79	35.96	123.91	16.78	31.66	224.91	-	-

FIGURES IN MILLION EUROS

31 DECEMBER 2008

Concept	Closing balance	Maturity in:						Beyond or undated	Average interest rate %	Modified duration %
		1 years	2 years	3 years	4 years	5 years				
PORTFOLIO HELD TO MATURITY										
Fixed-income securities	604.69	112.67	50.74	16.93	62.24	6.48	355.63	8.03	5.80	
Other investments	136.45	133.58	-	-	0.77	0.03	2.07	5.51	-	
Total portfolio held to maturity	741.14	246.25	50.74	16.93	63.01	6.51	357.70	-	-	
PORTFOLIO AVAILABLE FOR SALE										
Fixed-income securities	22,744.31	3,020.59	1,928.41	1,753.14	1,411.90	2,220.53	12,409.74	5.62	5.80	
Other investments	428.50	204.07	-	-	-	-	224.43	2.82	-	
Total portfolio available for sale	23,172.81	3,224.66	1,928.41	1,753.14	1,411.90	2,220.53	12,634.17	-	-	
TRADING PORTFOLIO										
Swaps	2.76	1.33	1.43	-	-	-	-	-	-	
Other derivatives	20.54	2.97	2.29	0.91	3.60	1.68	9.09	-	-	
Fixed-income securities	856.62	584.45	77.23	47.17	27.35	15.36	105.06	7.51	5.80	
Others	14.15	10.06	4.09	-	-	-	-	-	-	
Total trading portfolio	894.07	598.81	85.04	48.08	30.95	17.04	114.15	-	-	

FIGURES IN MILLION EUROS

The modified duration shows the sensitivity of the value of the assets to changes in interest rates and represents an approach to the percentage variation in the value of financial assets per each percentage point (100 bp) of variation in interest rates.

Balances included under the heading "Credits and receivables" of the balance sheet assets and under "Due on direct insurance and coinsurance operations", "Due on reinsurance operations", "Tax payable" and "Other debts" of the balance sheet liabilities do not accrue interest and, generally, they are settled within the following financial year. Liabilities with maturities exceeding one year are detailed in the section "Liquidity risk arising from subordinated and financial liabilities".

2. EXCHANGE RATE RISK

The following table provides a breakdown of assets and liabilities paying attention to the currencies in which they are denominated at the closing of the last two financial years.

Currency	Assets		Liabilities		Net Total	
	2009	2008	2009	2008	2009	2008
Euro	31,617.33	32,443.13	28,028.14	30,002.49	3,589.19	2,440.64
US Dollar	4,796.88	4,498.66	2,902.34	2,327.86	1,894.54	2,170.80
Mexican Peso	580.46	483.64	442.93	331.83	137.53	151.81
Brazilian Real	2,950.27	1,826.45	2,250.95	1,337.40	699.32	489.05
Turkish Lira	593.47	566.27	272.77	301.03	320.70	265.24
Chilean Peso	343.61	418.66	292.86	319.93	50.75	98.73
Venezuelan Bolivar	572.00	317.75	450.87	323.34	121.13	(5.59)
Argentinean Peso	385.03	432.65	343.29	371.58	41.74	61.07
Colombian Peso	409.76	293.37	382.21	251.89	27.55	41.48
Pound Sterling	141.59	65.56	114.58	53.05	27.01	12.51
Canadian Dollar	36.06	31.96	14.47	12.82	21.59	19.14
Philippine Peso	42.21	39.69	26.02	21.40	16.19	18.29
Peruvian Sol	144.09	113.40	93.27	77.26	50.82	36.14
Other currencies	493.09	158.18	397.40	241.12	95.69	(82.94)
Total	43,105.85	41,689.37	36,012.10	35,973.00	7,093.75	5,716.37

FIGURES IN MILLION EUROS

The sensitivity of the Group's equity to variations in rates of exchange versus the Euro of the different currencies in which assets are denominated, is determined by the net total amount shown in the table above, having deducted the amount of non monetary items. Likewise, the effect on the Group's future results of the said variations in exchange rates is determined by the volume of results obtained in each currency. To this respect, Appendix 1 provides a breakdown of the result obtained by each Group company and the country where its operations are located.

3. MARKET RISK

The following table shows the book value of equity securities and trust funds exposed to market risk and the Value at Risk (VaR) (maximum variation expected over a one year time horizon and for a 99% confidence level), for the last two years:

Portfolio	Book Value		VaR	
	2009	2008	2009	2008
Available for sale	1,082.76	1,422.47	1,379	568.3
Trading	26.64	45.04	-	-
Total	1,109.40	1,467.51	1,379	568.3

FIGURES IN MILLION EUROS

4. PROPERTY RISK

MAPFRE has property assets representing approximately 6.24% of total investments and cash, of which approximately 55.15% corresponds to own offices. The said assets meet the double function of being an administration and sales support, as well as generating financial revenues and diversifying investments. The breakdown of the said property is shown in the following table:

Concept	Net book value		Market value	
	2009	2008	2009	2008
Investment property	858.43	930.74	1,730.93	1,719.10
Property for own use	1,055.55	918.50	1,786.53	1,566.97
Total	1,913.98	1,849.24	3,517.46	3,286.07

FIGURES IN MILLION EUROS

Unrealised property gains would offset a fall in the price of properties equivalent to approximately 46% of their market value.

8. Other information

8.1. DETAILS RELATING TO THE BOARD OF DIRECTORS

During the year, the controlling Company's directors did not carry out any transaction with the controlling Company itself or with any other Group company outside the scope of the companies' ordinary trading activities, nor under non market conditions.

The controlling Company's directors holding their office at year-end do not have interests in the capital of companies having the same, similar or complementary nature of activity to that of the controlling Company, nor carry out, either on their own account or on behalf of third parties, the same, similar or complementary activity to that of the Group companies' corporate object, with the following exceptions:

Director	Company	Number of shares/stocks	Office/
Mr. Alberto Manzano Martos	ACS	780	-
	ALLIANZ SE	50	-
	BBVA	4,530	-
	BNP PARIBAS	605	-
	Banco Español de Crédito	4,974	-
	Banco Santander	6,017	-
Mr. Antonio Miguel- Romero Olano	Banco Santander	169	-
	BBVA	884	-
Mr. Francisco Vallejo Vallejo	Banco Urquijo, SBP, S.A.	-	Chairman
	Compañía Española de Seguros de Crédito a la Exportación (CESCE)	-	Director

The following table details the shares in MAPFRE S.A. that the controlling Company's directors in office at year-end held as at 31 December 2009, as well as the boards of directors of MAPFRE GROUP entities of which they were members on the said date.

Director	MAPFRE GROUP	
	Entities where they form part of the board of directors	Entities where they form part of the board of directors
Mr. José Manuel Martínez Martínez	-	164,413
Mr. Ignacio Baeza Gómez	MAPFRE VIDA; MAPFRE VIDA PENSIONES, E.G.F.P.; MAPFRE FAMILIAR; MAPFRE INTERNACIONAL; BANKINTER VIDA; CCM VIDA Y PENSIONES; MAPFRE INVERSION DOS S.G.I.I.C.; MAPFRE-CAJA MADRID VIDA; DUERO PENSIONES; DUERO VIDA.	27,401
Mr. Rafael Beca Borrego	MAPFRE FAMILIAR; MAPFRE AMÉRICA;	438,618
Mr. Miguel Blesa de la Parra	--	12,307
Mr. Rafael Fontoira Suris	MAPFRE INMUEBLES; MAPFRE VIDA	23
Mr. Santiago Gayarre Bermejo	MAPFRE VIDA; MAPFRE PARAGUAY	6,993
Mr. José Manuel González Porro	MAPFRE INMUEBLES; BANCO DE SERVICIOS FINANCIEROS CAJA MADRID- MAPFRE	882,000
Mr. Luis Hernando de Larramendi Martínez	MAPFRE VIDA; MAPFRE INTERNACIONAL	13,202
Mr. Sebastián Homet Duprá	MAPFRE AMÉRICA; MAPFRE INVERSIÓN SOCIEDAD DE VALORES	-
Mr. Antonio Huertas Mejías	MAPFRE FAMILIAR; MAPFRE INTERNACIONAL; MAPFRE VIDA; MAPFRE SERVICIOS INFORMÁTICOS; MAPFRE INTERNET; MAPFRE INFORMÁTICA, A.I.E.	76,730
Mr. Luis Iturbe Sanz de Madrid	--	32,884
Mr. Andrés Jiménez Herradón	MAPFRE RE; MAPFRE AMÉRICA; MAPFRE INTERNACIONAL; MAPFRE FAMILIAR; THE COMMERCE GROUP, INC; TURKIYE GENEL SIGORTA, A.S.	23,973
Mr. Manuel Jesús Lagares Calvo	MAPFRE VIDA; MAPFRE INVERSIÓN SOCIEDAD DE VALORES.	17,533
Mr. Alberto Manzano Martos	MAPFRE INMUEBLES; MAPFRE INVERSIÓN SOCIEDAD DE VALORES	36,717
Mr. Rafael Márquez Osorio	MAPFRE AMÉRICA	--
Mrs. M ^a . Francisca Martín Tabernero	MAPFRE VIDA; DUERO PENSIONES; DUERO VIDA	23
Mr. Antonio Miguel-Romero de Olano	MAPFRE INMUEBLES; MAPFRE VIDA; MAPFRE ASISTENCIA;	31,549
Mr. Filomeno Mira Candel	MAPFRE VIDA; MAPFRE INTERNACIONAL	109,632
Mr. Alfonso Rebuelta Badías	MAPFRE AMÉRICA; BANCO SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE; MAPFRE SEGUROS DE EMPRESAS; MAPFRE INTERNACIONAL; MAPFRE GLOBAL RISKS	44,346
Mr. Francisco Ruiz Risueño	MAPFRE VIDA; MAPFRE RE; MAPFRE FAMILIAR; CCM VIDA Y PENSIONES	73
Mr. Matías Salvá Benassar	MAPFRE FAMILIAR; MAPFRE RE; MAPFRE GLOBAL RISKS	571,880
Mr. Esteban Tejera Montalvo	MAPFRE AMÉRICA; MAPFRE FAMILIAR; MAPFRE VIDA; MAPFRE GLOBAL RISKS; MAPFRE ASISTENCIA; MAPFRE CAUCIÓN Y CRÉDITO; MAPFRE INTERNACIONAL; MAPFRE INVERSIÓN SOCIEDAD DE VALORES; THE COMMERCE GROUP INC.	23
Mr. Francisco Vallejo Vallejo	MAPFRE FAMILIAR; MAPFRE SEGUROS DE EMPRESAS	80,000

8.2. EXTERNAL AUDITORS' FEES

The annual accounts of the MAPFRE GROUP and the main companies forming part of it, for financial year 2009, have been audited by the firm Ernst & Young, mainly except for those based in Mexico, which are audited by Deloitte, and in El Salvador, which are audited by BDO.

The fees accrued in favour of External Auditors in the said financial year for their audit of the annual accounts and the limited review of the consolidated interim statements as at 30 June amount to € 6,316,899 (€ 5,836,179 in 2008), of which € 5,968,409 (€ 5,484,634 in 2008) correspond to the main auditors. Furthermore, there is an additional amount of € 190,001 (€ 667,604 in 2008) in favour of the main auditor in the concept of audit related services and € 735,469 (€ 601,827 in 2008) accrued for other complementary services provided by them, which figures are not considered to jeopardise the independence of auditors.

8.3. ENVIRONMENTAL ISSUES

The Group companies do not have any environmental related item that might be significant or specifically included in the present consolidated financial statements.

9. Additional note for English translation

These financial statements are presented by applying the International reporting standards adopted by the European Union (IFRS-EU). Consequently certain accounting principles applied by the Company may not conform to generally accepted accounting principles in other countries.

In addition, this document is a free translation of the consolidated annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.



Subsidiaries, associated undertakings and joint ventures (appendix 1)

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009	2008
FAMILIAR						
MAPFRE FAMILIAR COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	33.59% (1)	Insurance and reinsurance	– MAPFRE S.A.	99.9993	100.0000
MAPFRE RENTING DE VEHICULOS, S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	(1)	Financial	– MAPFRE FAMILIAR – MAPFRE S.A.	99.9833 0.0167	99.9833 0.0167
CLUB MAPFRE, S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	(1)	Services	– MAPFRE FAMILIAR – MAPFRE RENTING	99.9875 0.0125	99.9984 0.0016
CENTRO DE EXPERIMENTACIÓN Y SEGURIDAD VIAL MAPFRE, S.A.	Ctra. Valladolid, km 1 (Ávila) Spain	30.00% (1)	Research, training & advisory	– MAPFRE FAMILIAR – MAPFRE S.A.	99.9999 0.0001	99.9999 0.0001
MAPFRE MULTICENTRO DEL AUTOMÓVIL, S.A.	Crta. De Pamplona a Zaragoza, Polígono Ind. Cordovilla (Navarra) Spain	(1)	Services	– MAPFRE FAMILIAR	99.9900	100.0000
MULTISERVICAR CENTRO, S.A.	Crta. Antigua de Ajalvir s/ n (Alcalá de Henares) Spain	(1)	Research, training & advisory	– MAPFRE FAMILIAR – CESVIMAP	100.0000 –	99.9999 0.0001
MULTISERVICAR ASTURIAS, S.A.	C/ Gil de Jaz, 10 (Oviedo) Spain	(1)	Research, training & advisory	– MAPFRE FAMILIAR – CESVIMAP	100.0000 –	99.9999 0.0001
MULTISERVICAR AVILA, S.A.	Crta de Valladolid km 1 (Ávila) Spain	(1)	Research, training & advisory	– MAPFRE FAMILIAR – CESVIMAP	100.0000 –	99.9999 0.0001
MULTISERVICAR M., S.A.	C/ Arcipreste de Hita, 4 (Majadahonda) Spain	(1)	Research, training & advisory	– MAPFRE FAMILIAR – CESVIMAP	100.0000 –	99.8860 0.1140
CESVI ARGENTINA, S.A.	Calle 9 y 17. Parque Ind. Pilar- Buenos Aires (Argentina)	–	Research, training & advisory	– MAPFRE ARGENTINA SEGUROS – MAPFRE FAMILIAR	4.3700 49.7000	4.3700 49.7000
CESVI BRASIL S.A. CENTRO DE EXPERIMENTAÇÃO E SEGURANÇA VIARIA	Rua Amador Aguiar, 700-City Empresarial – Sao Paulo (Brazil)	–	Research, training & advisory	– MAPFRE FAMILIAR	100.0000	100.0000
CESVI COLOMBIA, S.A.	Carrera 87, Num. 15-87 Santa Fé de Bogotá (Colombia)	30.00%	Research, training & advisory	– MAPFRE SEGUROS GENERALES DE COLOMBIA – MAPFRE FAMILIAR	3.6400 63.9991	3.6400
IBERICAR, SOCIEDAD IBÉRICA DEL AUTOMÓVIL, S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	–	Services	– MAPFRE FAMILIAR	49.0000	49.0000
AUTOMOCIÓN PENINSULAR INMUEBLES, S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	–	Real Estate	– MAPFRE FAMILIAR	50.0000	50.0000
IBERIRENT IBÉRICA DE ALQUILER, S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	(1)	Services	– MAPFRE FAMILIAR – CLUB MAPFRE	99.0000 1.0000	99.0000 1.0000
SERVICIOS AUXILIARES MVA	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	(1)	Asset holding and marketing of fuels	– MAPFRE FAMILIAR	100.0000	100.0000
COMPAÑÍA VALENCIANA DE RADIO TAXI, S.A. (Sold in 2009)	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	29.10% (1)	Services	– SERVICIOS AUXILIARES	–	100.0000
MULTISERVICAR VALENCIA, S.A.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	– (1)	Repair and maintenance of motor vehicles	– MAPFRE FAMILIAR	100.0000	100.0000
MMTMA VALENCIANA AUTOMOVILISTA ASISTENCIA, S.A.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	30.00% (1)	Travel assistance	– SERVICIOS AUXILIARES	100.0000	100.0000
ARAGON GRAF, S.A.U	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	– (1)	Graphic arts	– SERVICIOS AUXILIARES	100.0000	100.0000
VIAJES MUTUA VALENCIANA AUTOMOVILISTA, S.A.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	–	Travel agency	– SERVICIOS AUXILIARES	100.0000	100.0000
LAURIA 5, CORREDURIA DE SEGUROS, S.L.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	28.60% (1)	Insurance brokerage	– SERVICIOS AUXILIARES	100.0000	100.0000
DISEÑO URBANO, S.L.	Avda. Juan XXIII 64 (Valencia) Spain	–	Development agents	– MAPFRE FAMILIAR	50.0000	50.0000
ESPACIOS AVANZADOS DEL MEDITERANEO, S.L.	C/ del Gremis 8, Polig. Vara de Quart, (Valencia) Spain	30.00%	Property building & development	– MAPFRE FAMILIAR	22.4992	22.4700
HABITUSER, S.L.	C/ Fuente San Luis Mayor 15-21 (Valencia) Spain	–	Property development	– MAPFRE FAMILIAR	7.3394	7.3394
SERVICIOS COMERCIALES Y ENERGÉTICOS DE BENIDORM, S.L.	Avda. Juan XXIII 64 (Valencia) Spain	–	Services	– MAPFRE FAMILIAR	50.0000	50.0000

Financial year end figures										
Assets		Equity		Revenues		Results in financial year		Method or procedure		
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
5,765,260	1,867,452	1,294,842	431,017	4,077,509	1,286,251	439,149	164,556	(A)		(A)
88,593	125,826	1,978	6,058	31,079	37,949	(3,080)	(980)	(A)		(A)
9,147	9,473	4,567	3,917	12,687	16,052	691	605	(A)		(A)
18,883	18,298	17,423	16,577	12,121	13,492	846	1,156	(A)		(A)
14,560	15,029	14,299	13,184	8,012	7,606	(455)	(1,001)	(A)		(A)
743	577	517	226	4,402	3,820	223	(224)	(A)		(A)
54	57	53	56	-	-	(4)	(1)	(A)		(A)
344	299	250	182	1,063	1,021	66	(9)	(A)		(A)
292	292	291	287	3	3	3	(3)	(A)		(A)
3,830	4,118	4,138	3,031	4,560	4,427	802	684	(C)		(C)
4,848	3,944	4,066	3,340	4,297	2,721	(282)	(311)	(A)		(A)
6,413	5,684	6,167	5,427	1,678	1,819	63	119	(C)		(A)
350,080	265,281	73,832	87,686	333,909	303,364	(4,334)	(9,719)	(C)		(C) (F)
63	59	62	59	-	-	-	-	(A)		(A) (F)
-	62	-	60	-	(2)	-	(2)	(A)		(A) (F)
1,038	1,929	998	441	3,101	4,629	557	(340)	(A)		(A)
-	1,343	-	709	-	4,178	-	(A)	-		(A)
503	1,093	(888)	296	1,781	1,986	(1,183)	(470)	(A)		(A)
659	724	659	725	-	974	(65)	16	(A)		(A)
625	252	532	248	2	1,660	(211)	525	(A)		(A)
99	101	99	101	-	25	(2)	(32)	(A)		(A)
144	127	136	121	27	45	14	25	(A)		(A)
1,670	1,670	(180)	(172)	-	1	-	(60)	(A)		(A)
3,144	3,208	832	829	-	-	5	2	(C)		(C)
7,638	7,368	(212)	(181)	-	-	(219)	(188)	(C)		(C)
219	219	217	217	-	2	-	2	(A)		(A)

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital	
					2009	2008
RASTREATOR	C/ Juan Hurtado de Mendoza, 17 28036- Madrid	-	-	- MAPFRE FAMILIAR	25.0000	-
MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	30.00% (1)	Advisory and management services	- MAPFRE FAMILIAR - MAPFRE S.A.	50.0000 50.0000	50.0000 50.0000
SEGESYMED S.L., SOCIEDAD UNIPERSONAL	Ctra. Pozuelo, 50. Majadahonda. (Madrid) Spain	- (1)	Medical and surgical assistance	- MAPFRE FAMILIAR	100.0000	100.0000
PROYECTOS Y SERVICIOS MAPFRE,S.A. (wound-up in 2009)	C/ Poeta Agustín Miralles Sall, 3 (Las Palmas de G. C.) Spain	(1)	Insurance agents	- MAPFRE FAMILIAR	-	100.00
ELIPSE CANARIAS, S.A. (wound-up in 2009)	C/ Poeta Agustín Miralles Sall, 3 (Las Palmas de G. C.) Spain	- (1)	Services	- MAPFRE FAMILIAR - PROYECTOS Y SERVICIOS MAPFRE	- -	99.9900 0.0100
MESEVAL, AGENCIA DE SEGUROS, S.L. SOCIEDAD UNIPERSONAL (wound-up in 2009)	C/ Játiva, 23 (Valencia) Spain	65.19% (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
MULTISERVICIOS MAPFRE MULTIMAP, S.A.	Ctra. Pozuelo, 50. Majadahonda (Madrid) Spain	30.00% (1)	Real estate services	- MAPFRE FAMILIAR - SEGESYMED	97.5000 2.5000	97.5000 2.5000
GESTORA DE ACTIVOS FUNERARIOS GESMAP, S.A.	Paseo de Recoletos , 23 (Madrid) Spain	30.00% (1)	Undertaker services	- MAPFRE FAMILIAR - SEGESYMED	99.9521 0.0479	99.9521 0.0479
SALZILLO SERVICIOS FUNERARIOS, S.L.	C/ Historiador Torres Fontes s/ n (Murcia) Spain	30.00% (1)	Undertaker services	- GESMAP	100.0000	100.0000
FINLOG-ALUGUER E COMERCIO DE AUTOMOVEIS, S.A.	PORTUGAL	30.00%	Car rental	- MAPFRE FAMILIAR	51.0000	-
DE MENA SERVICIOS FUNERARIOS, S.L.	Crta. Pozuelo, 50 (Majadahonda) Spain	31.00%	Undertaker services	- GESMAP	70.0000	70.0000
SERVICIOS FUNERARIOS SANTA MARIA LA REAL, S.L.	Calle Miguel Astrain, 11 (Pamplona) Spain	-	Undertaker services	- GESMAP	50.0000	50.0000
SERVICIOS FUNERARIOS LA CARIDAD, S.L.	C/ Banda Playa, 74, San Lúcar de Barrameda (Cádiz) Spain	-	Undertaker services	- GESMAP	42.0000	42.0000
SERVICIOS FUNERARIOS DEL NERVION, S.L.	C/ Alameda de Recalde, 10 (Bilbao) Spain	30.00%	Undertaker services	- GESMAP	50.0000	-
ISABELO ALVAREZ MAYORGA, S.A.	Crta. Ávila-Valladolid km 0, 8 (Ávila) Spain	30.00%	Undertaker services	- GESMAP	50.0000	50.0000
FUNERARIA HISPALENSE, S.L.	Avda. Ramón y Cajal, 1 Dos Hermanas (Sevilla) Spain	30.00%	Undertaker services	- GESMAP	50.0000	50.0000
TANATORIO DE ECIJA, S.L.	C/ Arfe, 13 (Córdoba) Spain	-	Undertaker services	- GESMAP	25.0000	25.0000
TANATORIO Y CEMENTERIO DE SANLÚCAR, S.L.	C/ Cuesta de Belén Palacio (Sanlúcar de Barrameda) Spain	-	Undertaker services	- LA CARIDAD	75.0000	75.0000
SERVICIOS FUNERARIOS FUNENESIS, S.L.	Plaza Profesor Tamarit Olmos, 16 (Valencia) Spain	30.00%	Undertaker services	- GESMAP	50.0000	50.0000
TINERFEÑA DE SERVICIOS DE TECNOLOGÍA E INNOVACIÓN PARA EL AUTOMÓVIL, S.A.	Subida de Mayorazgo (Santa Cruz de Tenerife) Spain	- (1)	Motor technology & innovation services	- MAPFRE FAMILIAR	100.0000	100.0000
SEPENVAL, S.L.SOCIEDAD UNIPERSONAL) (wound-up in 2009)	C/ Játiva, 23 (Valencia) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
FINISTERRE AGENCIA CANARIA DE SEGUROS, S.A. SOCIEDAD UNIPERSONAL(wound-up in 2009)	C/ Bravo Murillo, 28 (Las Palmas de G. C.) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
SEFIN AGENCIA DE SEGUROS, S.A. (wound-up in 2009)	C/ Játiva, 23 (Valencia) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
COSEBAL, AGENCIA DE SEGUROS S.L.SOCIEDAD UNIPERSONAL (wound-up in 2009)	C/ Játiva, 23 (Valencia) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
LISS ASSURANCE AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL (wound-up in 2009)	C/ Játiva, 23 (Valencia) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
AGEPAL, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL (wound-up in 2009)	C/ Játiva, 23 (Valencia) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
SEPROVAL, AGENCIA DE SEGUROS S.L. SOCIEDAD UNIPERSONAL (wound-up in 2009)	C/ Játiva, 23 (Valencia) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
MEDISEMAP, AGENCIA DE SEGUROS, S.L.	C/ Doctor Huarte, 1 (Pamplona) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR - MAPFRE EMPRESAS - MAPFRE VIDA	33.3334 33.3333 33.3333	33.3334 33.3333 33.3333
SEGURLIS, AGENCIA DE SEGUROS S.A. SOCIEDAD UNIPERSONAL (wound-up in 2009)	C/ Játiva, 23 (Valencia) Spain	- (1)	Insurance agents	- MAPFRE FAMILIAR	-	100.0000
IGUALSERVICIOS HUESCA, S.L.	C/ Cabestany, 6 (Huesca) Spain	- (1)	Medical services	- MAPFRE FAMILIAR	100.0000	100.0000

Financial year end figures											
Assets		Equity		Revenues		Results in financial year		Method or procedure			
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
-	-	-	-	-	-	-	-			(B)(G)	-
2,208	2,179	2,070	1,872	460	571	212	227	(A)		(A)	(A)
631	2,588	411	2,457	220	325	(2,046)	(694)	(A)		(A)	(A)
-	490	-	482	-	(5)	-	16	(H)		(A)	(A)
-	112	-	107	-	8	-	(8)	(H)		(A)	(A)
-	129	-	129	-	19	-	5	-		(A)	(A)
6,440	4,131	5,137	3,433	35,695	28,451	1,704	1,354	(A)		(A)	(A)
12,608	10,546	8,910	8,412	2,835	1,871	536	238	(A)		(A)	(A)
647	634	503	492	894	936	11	14	(A)		(A)	(A)
98,973	-	8,205	-	48,854	-	954	-	(A)		(A)	-
616	612	536	512	658	692	93	76	(A)		(A)	(A)
-	-	-	-	-	-	-	-	(D)		(C)	(F)
1,200	1,249	1,136	1,144	424	620	33	65	(C)		(C)	(C)
166	-	117	-	390	-	110	-	(C)		(C)	-
2,343	2,365	469	410	946	1,142	41	11	(C)		(C)	(C)
107	118	93	95	203	220	5	8	(C)		(C)	(C)
3,633	3,633	623	623	168	168	(47)	(47)	(C)		(C)	(C)
-	-	-	-	-	-	-	-	(A)		(A)	(A)
2,013	2,352	667	930	1,807	2,708	118	440	(C)		(C)	(C)
5,341	6,430	4,637	4,631	1,665	1,848	(290)	(336)	(A)		(A)	(A)
-	119	-	119	-	16	-	8	-		(A)	(A)
-	85	-	85	-	2	-	2	-		(A)	(A)
-	635	-	633	-	27	-	19	-		(A)	(A)
-	1,172	-	1,145	-	195	-	91	-		(A)	(A)
-	30	-	30	-	1	-	1	-		(A)	(A)
-	799	-	737	-	168	-	98	-		(A)	(A)
-	676	-	656	-	97	-	68	-		(A)	(A)
245	-	34	-	5,790	-	13	-	(C)		(A)	(A)
-	553	-	545	-	94	-	65	-		(A)	(A)
892	779	738	619	1,301	1,323	(121)	(198)	(A)		(A)	(A)

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital	
					2009	2008
HOSCLIMAP, S.A.	C/ Llodio s/ n (Madrid) Spain	- (1)	Medical services	- MAPFRE FAMILIAR - MAPFRE S.A.	99.9989 0.0011	99.9987 0.0013
CENTROS MÉDICOS ISLAS CANARIAS,S.A.	Rafael Cabrera, 22 (Las Palmas de Gran Canaria) Spain	- (1)	Medical services	- MAPFRE FAMILIAR	100.0000	100.0000
CLÍNICA CASTELLÓ, S.A.	C/ Castello 56 (Madrid) Spain	(1)	Medical services	- MAPFRE FAMILIAR	100.0000	100.0000
CENTRO MÉDICO MAPFRE, S.L.	Paseo de Recoletos, 29 (Madrid) Spain	- (1)	Medical services	- MAPFRE FAMILIAR	100.0000	100.0000
MAPFRE VIDEO Y COMUNICACIÓN S.A.	Ctra. Pozuelo, 50. Majadahonda (Madrid) Spain	30.00% (1)	Asset management	- MAPFRE FAMILIAR - MAPFRE VIDA - MAPFRE EMPRESAS	50.0000 25.0000 25.0000	50.0000 25.0000 25.0000
LIFE						
MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	Avda. General Perón, 40 (Madrid) Spain	16.18% (1)	Insurance and reinsurance	- MAPFRE S.A.	99.8883	99.8863
CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA S.A.	Avda. General Perón, 40 (Madrid) Spain	30.12% (1)	Consultancy	- MAPFRE VIDA - MAPFRE S.A.	99.9339 0.0661	99.9339 0.0661
GESTION MODA SHOPPING S.A.	Avda. General Perón, 40 (Madrid) Spain	29.75% (1)	Commercial centres management	- MAPFRE VIDA - MAPFRE S.A.	99.8215 0.1785	99.8215 0.1785
MAPFRE INVERSIÓN SOCIEDAD DE VALORES S.A.	Avda. General Perón, 40 (Madrid) Spain	21.59% (1)	Securities broker-dealer firm	- MAPFRE VIDA - MAPFRE S.A.	99.9991 0.0009	99.9991 0.0009
MAPFRE INVERSIÓN DOS SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSIÓN COLECTIVA S.A.	Avda. General Perón, 40 (Madrid) Spain	30.29% (1)	UCITS management firm	- MAPFRE INVERSIÓN - MAPFRE S.A.	99.9853 0.0147	99.9853 0.0147
MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.	Avda. General Perón, 40 (Madrid) Spain	30.00% (1)	Pension fund administration	- MAPFRE INVERSIÓN - MAPFRE S.A.	99.9971 0.0029	99.9971 0.0029
UNIÓN DEL DUERO COMPAÑÍA DE SEGUROS DE VIDA, S.A.	Pº de la Castellana, 167 Madrid Spain	30.00%	Insurance	- MAPFRE S.A.	50.0000	50.0000
DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	Pº de la Castellana, 167 Madrid Spain	30.00%	Pension fund administration	- MAPFRE S.A.	50.0000	50.0000
MAPFRE CAJA MADRID VIDA, S.A.	Avda. General Perón, 40 (Madrid) Spain	29.82%	Financial	- MAPFRE VIDA	51.0000	51.0000
MIRACETI S.A.	Avda. General Perón, 40 (Madrid) Spain	29.89% (1)	Real Estate	- MAPFRE VIDA - MAPFRE S.A.	99.9991 0.0009	99.9991 0.0009
MUSINI VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS SOCIEDAD UNIPERSONAL (taken over in 2009 by MAPFRE VIDA)	C/ Manuel Cortina, 2 (Madrid) Spain	30.00% (1)	Insurance	- MAPFRE VIDA	-	100.0000
BANKINTER SEGUROS DE VIDA, S.A.	Avda. Bruselas, 12 (Alcobendas) Spain	29.47%	Insurance	- MAPFRE VIDA	50.0000	50.0000
CAJA CASTILLA LA MANCHA VIDA Y PENSIONES, S.A.	C/ Carretería, 5 (Cuenca) Spain	30.00%	Insurance	- MAPFRE, S.A.	50.0000	50.0000
COMMERCIAL						
MAPFRE EMPRESAS SOCIEDAD ANÓNIMA DE SEGUROS Y REASEGUROS	Avda. General Perón, 40 (Madrid) Spain	30.49% (1)	Insurance	- MAPFRE S.A. - MAPFRE FAMILIAR	99.9982 0.0006	99.9993 0.0007
ITSEMAP SERVICIOS TECNOLÓGICOS MAPFRE, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	25.00% (1)	Technology services	- MAPFRE EMPRESAS - MAPFRE RE - MAPFRE S.A.	60.0000 39.9752 0.0248	60.0000 39.9752 0.0248
ITSEMAP MÉXICO, S.A.	Porfirio Díaz, 102 Col. Nochebuena México D. F. (Mexico)	28.00%	Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS	99.9998	99.9998
ITSEMAP PORTUGAL, LTDA	Rua Castillo, 52 Lisboa (Portugal)	10.00%	Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS	99.9857	99.9857
ITSEMAP VENEZUELA (wound-up in 2009)	Avda. Libertador, Torre Maracaibo Caracas (Venezuela)	-	Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS	-	100.0000
ITSEMAP CHILE, S.A.	Apoquindo, 4499 Santiago (Chile)	-	Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS - INVERSIONES IBÉRICAS	75.0000 25.0000	75.0000 25.0000
ITSEMAP BRASIL, LTDA	Rua Sao Carlos do Pinhal, 696 - Sao Paulo (Brazil)	31.00%	Technology services	- ITSEMAP SERVICIOS TECNOLÓGICOS - MAPFRE RE DO BRASIL	99.9792 0.0208	99.9792 0.0208
MAPFRE SEGUROS DE EMPRESA (in 2008 INTERBOLSA, S.A.)	Avda. General Perón, 40 (Madrid) Spain	30.77% (1)	Financial	- MAPFRE EMPRESAS	100.0000	100.0000
SERVIFINANZAS, S.A. SOCIEDAD UNIPERSONAL	Avda. General Perón, 40 (Madrid) Spain	32.50% (1)	Financial	- MAPFRE EMPRESAS	100.0000	100.0000
INDUSTRIAL RE MUSINI S.A.	6B Route de Trèves, Senningerberg (Luxembourg)	-	Reinsurance	- MAPFRE EMPRESAS	100.0000	100.0000

Financial year end figures											
Assets		Equity		Revenues		Results in financial year		Method or procedure			
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
15,493	15,682	1,640	14,252	10,167	10,376	(12,612)	(5,558)	(A)	(A)		
2,193	2,353	2,128	2,308	550	422	(180)	(144)	(A)	(A)		
15,117	17,631	14,409	16,258	4,739	7,676	(1,848)	35	(A)	(A)		
723	698	629	639	779	655	(201)	(168)	(A)	(A)		
62,691	61,618	62,111	61,049	3,815	3,063	1,263	660	(A)	(A)		
10,132,238	14,893,007	561,010	620,335	2,098,621	3,352,535	94,495	163,271	(A)	(A)		
1,787	1,688	1,741	1,625	278	391	116	190	(A)	(A)		
879	780	697	613	1,390	1,459	85	78	(A)	(A)		
153,804	370,506	122,570	116,974	59,046	72,034	24,966	31,239	(A)	(A)		
40,357	42,140	33,399	32,014	33,762	51,980	1,475	2,650	(A)	(A)		
69,950	65,053	64,008	58,766	27,621	30,143	13,213	14,900	(A)	(A)		
553,964	456,295	52,484	51,801	210,904	65,484	9,091	4,246	(A)	(A)	(G)	
24,409	8,593	8,232	7,769	8,185	3,929	1,091	82	(A)	(A)	(G)	
5,203,983	235,564	247,735	193,034	980,324	7,849	49,683	5,328	(A)	(A)		
44,163	43,736	42,958	42,510	3,036	3,037	941	1,196	(A)	(A)		
-	831,529	-	52,393	-	95,286	-	3,002	-	-	(A)	
558,414	448,120	43,118	39,560	296,999	186,007	17,125	12,739	(A)	(A)		
918,408	934,421	56,193	45,593	142,164	255,546	12,918	4,755	(A)	(A)		
3,951,240	3,477,827	502,413	373,125	1,534,440	89,697	87,123	115,166	(A)	(A)		
4,082	4,541	3,055	3,007	3,989	4,561	48	8	(A)	(A)		
598	798	419	520	850	1,281	81	174	(A)	(A)		
911	1,023	371	445	907	1,084	(70)	50	(A)	(A)		
-	-	-	-	-	-	-	-	-	-	(A)	
35	28	37	34	1	2	1	1	(A)	(A)		
1,383	1,264	1,020	1,007	2,938	2,317	97	133	(A)	(A)		
9,113	77	9,112	77	37	7	18	5	(A)	(A)		
479	381	460	374	126	165	86	115	(A)	(A)		
41,610	57,475	21,343	23,638	5,894	2,523	(2,897)	(2,049)	(A)	(A)		

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009 2008	
MAPFRE CAUCIÓN Y CRÉDITO COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.	Avda. General Perón, 40 (Madrid) Spain	- (1)	Insurance and reinsurance	- MAPFRE EMPRESAS - MAPFRE SERVICIOS MARÍTIMOS.	99.9960 0.0040	99.9960 0.0040
MAPFRE AMÉRICA CAUCIÓN S.A.	Avda. General Perón, 40 (Madrid) Spain	3.4% (1)	Holding	- MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE EMPRESAS	99.9960 0.0040	99.9924 0.0036
MAPFRE FIANZAS S.A.	Avda. Magnocentro, 5 Col. C. San Fernando Huixquilucan (Mexico)	-	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - MAPFRE TEPEYAC	99.9800 0.0200	99.9800 0.0200
MAPFRE SERVICIOS DE CAUCIÓN S.A.	Avda. General Perón, 40 (Madrid) Spain	- (1)	Services	- MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE S.A.	99.6800 0.3200	99.6800 0.3200
MAPFRE GARANTÍAS Y CRÉDITO CIA DE SEGUROS, S.A.	Teatinos, 280 Santiago de Chile (Chile)	-	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - INVERSIONES IBÉRICAS	99.9923 0.0077	99.9923 0.0077
MAPFRE SEGURODORA DE GARANTÍA E CRÉDITO S.A.	Avda. M ^a Coelho Aguiar 215 Sao Paulo (Brazil)	15.63%	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO	100.0000	100.0000
MAPFRE SEGURODORA DE CRÉDITO A LA EXPORTACIÓN S.A.	Avda. M ^a Coelho Aguiar 215 Sao Paulo (Brazil)	41.81%	Insurance	- MAPFRE SEGURODORA DE GARANTÍA	99.9900	99.9900
COMPAÑÍA DE SEGUROS DE CRÉDITOS COMERCIALES S.A.	Carrera 64 n°149 A-30 Medellín (Colombia)	32.23%	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - MAPFRE S.A. - MAPFRE COLOMBIA - MAPFRE COLOMBIA VIDA	94.8937 4.7872 0.1064 0.1064	94.8937 4.7872 0.1064 0.1064
MAPFRE SEGUROS DE CRÉDITO S.A.	Avd. Magnocentro, 5 México D. F. (Mexico)	-	Insurance	- MAPFRE AMÉRICA CAUCIÓN Y CRÉDITO - MAPFRE TEPEYAC	99.9800 0.0200	99.9800 0.0200
MAPFRE SERVICIOS DE PREVENCIÓN S.L.	C/ Hernandez Lazaro 29 (Madrid) Spain	- (1)	Medical services	- MAPFRE EMPRESAS	100.0000	100.0000
SERVICIOS DE PERITACIÓN MAPFRE S.A.	C/ Manuel Silvela, 15 (Madrid) Spain	33.49% (1)	Services	- MAPFRE EMPRESAS - MAPFRE CAUCIÓN	96.0000 4.0000	96.0000 4.0000
MAPFRE SERVICIOS MARÍTIMOS, COMISARIADO Y LIQUIDACIÓN DE AVERÍAS S.A.	Avda. Sabino Arana, 4 (Bilbao) Spain	26.32%	Loss adjusters	- MAPFRE EMPRESAS - MAPFRE S.A.	99.9600 0.0400	99.9600 0.0400

BANKING AND FINANCE

BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	-	Banking	- MAPFRE, S.A.	48.984	48.9670
FANCY INVESTMENT S.A..	Avda. 18 de Julio, 841 Montevideo (Uruguay)	-	Financial	- MAPFRE S.A.	100.0000	100.0000

REINSURANCE

MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	Paseo de Recoletos, 25 (Madrid) Spain	35.00% (1)	Reinsurance	- MAPFRE S.A. - MAPFRE FAMILIAR	91.5288 0.0003	91.5288 0.0003
COMPAGNIE INTERNATIONALE D'ASSURANCES ET REASSURANCES (C.I.A.R.) SOCIÉTÉ ANONIMÉ	45, Rue de Treves Bruselas (Belgium)	34.00%	Insurance and reinsurance	- MAPFRE RE - MAPLUX REINSURANCE	99.9900 0.0100	99.9900 0.0100
MAPFRE CHILE REASEGUROS, S.A.	Avda. Apoquindo, 4499 Santiago (Chile)	17.00%	Reinsurance	- MAPFRE RE - INVERSIONES IBÉRICAS	99.9932 0.0068	99.9932 -
INVERSIONES IBÉRICAS, L.T.D.A.	Avda. Apoquindo, 4499 Santiago (Chile)	17.00%	Financial e Real Estate	- MAPFRE RE - MAPFRE CHILE REASEGUROS	99.9899 0.0101	99.9899 -
CAJA REASEGURADORA DE CHILE S.A.	Avda. Apoquindo, 4499 Santiago (Chile)	17.00%	Reinsurance	- MAPFRE CHILE REASEGUROS	99.8467	99.8467
INMOBILIARIA COSTA DE MONTEMAR, S.A.	Avda. Apoquindo, 4499 Santiago (Chile)	17.00%	Real Estate	- INVERSIONES IBÉRICAS	31.4400	31.4400
CAJA RE ARGENTINA, S.A.	Bouchar 547 piso 14 Buenos Aires (Argentina)	35.00%	Advisory services	- INVERSIONES IBÉRICAS	99.9960	99.9960
MAPFRE RE DO BRASIL COMPAÑÍA DE REASEGUROS	Rua Sao Carlos do Pinhal, 696 -Sao Paulo (Brazil)	15.00%	Consultancy	- MAPFRE RE - ITSEMAP DO BRASIL	99.9999 0.0001	99.9999 0.0001
ADMINISTRADORA DE PROPIEDADES S.A.	Napoleón 3096 Santiago (Chile)	17.00%	Real Estate	- INVERSIONES IBÉRICAS	31.2900	31.2900
COMERCIAL Y TURISMO S.A.	Napoleón 3096 Santiago (Chile)	17.00%	Real Estate	- INVERSIONES IBÉRICAS	31.2000	31.2000
INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.	Bouchar 547 piso 14 B. Aires (Argentina)	35.00%	Real Estate	- MAPFRE RE	99.9985	99.9985
INMOBILIARIA TIRILLUCA S.A.	Avda. Apoquindo, 4499 Santiago (Chile)	17.00%	Real Estate	- INVERSIONES IBÉRICAS	43.7500	43.7500
MAPFRE MANDATOS Y SERVICIOS, S.A.	Bouchar 547 piso 14 B. Aires (Argentina)	35.00%	Services	- CAJA REASEGURADORA DE ARGENTINA - MAPFRE RE	5.0000 95.0000	5.0000 95.0000
REINSURANCE MANAGMENT INC.	100 Campus Drive New Jersey 07932-2006 (USA)	35.00%	Services	- MAPFRE RE	100.0000	100.0000
MAPLUX REINSURANCE COMPANY LTD	E Building Immeuble C6, Parc d'Activite Syrdall Munsbanch (Luxembourg)	-	Reinsurance	- MAPFRE S.A.	100.0000	100.0000

Financial year end figures											
Assets		Equity		Revenues		Results in financial year		Method or procedure			
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
241,071	312,641	19,282	22,833	101,098	8,772	(4,666)	(15,542)	(A)	(A)		
24,872	23,458	24,832	23,421	3,795	1,231	3,010	413	(A)	(A)		
4,919	4,645	2,811	3,113	2,459	283	(450)	67	(A)	(A)		
-	170	171	170	2	8	1	4	(A)	(A)		
25,377	20,051	5,158	5,926	9,131	418	(1,836)	81	(A)	(A)		
43,116	27,577	14,499	10,505	16,256	1,532	963	1,338	(A)	(A)		
10,213	6,437	6,990	4,973	1,341	588	517	489	(A)	(A)		
21,495	19,445	6,780	8,139	10,437	3,014	1,089	1,045	(A)	(A)		
4,915	8,435	2,308	2,501	1,057	258	(234)	(167)	(A)	(A)		
7,656	8,445	2,745	4,003	16,571	21,181	(1,257)	8	(A)	(A)		
2,314	2,482	1,441	936	4,679	4,742	290	216	(A)	(A)		
1,699	1,685	1,699	1,685	39	76	14	23	(A)	(A)		
6,659,631	6,951,038	392,898	435,124	486,515	584,566	99,959	4,429	(C)	(C)		
8,385	5,676	8,212	5,503	892	539	892	539	(A)	(A)		
2,503,306	3,062,114	778,383	719,505	2,272,522	1,453,674	128,394	100,996	(A)	(A)		
14,904	17,045	9,060	9,437	1,339	2,907	525	969	(A)	(A)		
97,927	78,222	43,325	33,018	6,566	5,359	2,001	1,651	(A)	(A)		
18,224	15,323	18,051	15,138	594	1,029	58	(388)	(A)	(A)		
85,109	62,333	32,251	23,658	4,857	3,586	1,384	715	(A)	(A)		
20,614	15,412	20,464	15,235	1,837	1,714	231	(119)	(B)	(C)		
117	102	94	88	11	7	3	6	(A)	(A)		
118,835	22,993	30,818	22,538	18,030	2,367	1,244	1,222	(A)	(A)		
704	485	117	275	1,720	971	(94)	107	(B)	(C)		
247	79	(8)	(37)	547	221	35	18	(B)	(C)		
8	8	8	8	-	-	-	-	(A)	(C)		
10,914	7,966	10,503	7,938	42	508	(71)	998	(B)	(C)		
176	193	91	96	837	788	8	(13)	(C)	(C)		
740	688	14	16	-	-	-	-	(A)	(A)		
31,087	29,321	4,084	3,664	1,495	5,962	(20)	129	(A)	(A)		

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009	2008
AASSISTANCE						
MAPFRE ASISTENCIA COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)	Insurance and reinsurance	– MAPFRE, S.A. – MAPFRE FAMILIAR	99.9970 0.0030	99.9971 0.0029
IBERO ASISTENCIA, S.A.	Avda. Liberdade, 40 Lisboa (Portugal)	27.50%	Travel assistance	– MAPFRE ASISTENCIA	100.0000	100.0000
BRASIL ASISTENCIA S.A.	Ed. Crystal Tower, Alameda Mamore 989. Alphaville S. Paulo (Brazil)	34.00%	Travel assistance	– MAPFRE ASISTENCIA	99.9990	99.9990
AFRIQUE ASSISTANCE, S.A.	16, Rue Dr. Alphonse Laverning, 1002 (Tunisia)	35.00%	Travel assistance	– MAPFRE ASISTENCIA	49.0000	49.0000
VEASISTENCIA, S.A.	Avda. del Libertador Torre Maracaibo Caracas (Venezuela)	34.00%	Travel assistance	– MAPFRE ASISTENCIA – MAPFRE RE	99.9980 0.0020	99.9980 0.0020
ANDIASISTENCIA COMPAÑÍA DE ASISTENCIA DE LOS ANDES, S.A.	Carrera, 11, N° 93 - B - 09 Bogotá (Colombia)	38.50%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	94.8999 5.0941	94.8999 5.0977
FEDERAL ASSIST Co.	7300 Corporate Center Drive, Suite 601 Miami – Florida 33126 (USA)	37.60%	Travel assistance	– MAPFRE ASISTENCIA	100.0000	100.0000
IBEROASISTENCIA, S.A.	Tucuman, 744 B. Aires (Argentina)	35.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	99.9999 0.0001	99.9999 0.0001
SUR ASISTENCIA, S.A.	Av. Apoquindo 4499 Santiago de Chile (Chile)	17.50%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	99.0000 1.0000	99.0000 1.0000
IBEROASISTENCIA, S.A.	Sor Ángela de la Cruz, 6 (Madrid) Spain	35.00% (1)	Travel assistance	– MAPFRE ASISTENCIA – MAPFRE FAMILIAR	99.9300 0.0700	99.9300 0.0700
IRELAND ASSIST, LTD	22-26 Prospect Hill Galway (Ireland)	12.50%	Travel assistance	– MAPFRE ASISTENCIA	100.0000	100.0000
GULF ASSIST, B.S.C.	Manama Centre Building Manama (Bahrain)	–	Travel assistance	– MAPFRE ASISTENCIA	74.6250	74.6250
FRANCE ASSIST	55, Rue Raspail Levallois Perret (France)	34.33%	Travel assistance	– MAPFRE WARRANTY	100.0000	100.0000
EUROSOS ASSISTANCE, S.A.	282 Messogion Avenue 155, 62 Neo Psychico. Athens (Greece)	35.00%	Travel assistance	– IBEROASISTENCIA – MAPFRE ASISTENCIA	0.5000 99.5000	0.5000 99.5000
CARIBE ASISTENCIA, S.A.	Avda. Tiradentes Esq. Pres. Gonzalez. Edif. La Cumbre. Ens. Naco. Domingo- (Dominican Rep.)	25.00%	Travel assistance	– MAPFRE ASISTENCIA	59.9490	51.9997
ECUASISTENCIA, S.A.	Avda. Doce de Octubre, 1942 –Quito (Ecuador)	25.00%	Travel assistance	– MAPFRE ASISTENCIA – ANDIASISTENCIA	50.0000 50.0000	50.0000 50.0000
CONSULTING DE SOLUCIONES Y TECNOLOGÍAS SIAM, S.A.	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)	Consultancy	– MAPFRE ASISTENCIA – IBEROASISTENCIA	99.9259 0.0741	99.9259 0.0741
PERÚ ASISTENCIA, S.A.	Tarata 160-9ª -Miraflores Lima (Peru)	30.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	99.8639 0.1361	99.8639 0.1361
IBEROASISTENCIA INTERNACIONAL (in 2008 VIAJES MAPFRE, AGENCIA DE VIAJES S.A.)	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00% (1)	Travel agency	– MAPFRE ASISTENCIA – IBEROASISTENCIA.	99.7600 0.2400	99.7600 0.2400
VIAJES MAPFRE CCI, S.L. (in 2008 MELIÁ TOUR)	Sor Ángela de la Cruz, 6 (Madrid) Spain	30.00%	Travel tour operator	– MAPFRE ASISTENCIA	100.0000	100.0000
MÉXICO ASISTENCIA, S.A.	Porfidio Díaz, 100 México D. F. (Mexico)	30.00%	Travel assistance	– MAPFRE ASISTENCIA	99.9998	99.9998
ALLMAP ASSIST GESELLSCHAFT FÜR BEISTANDSLEISTUNGEN MBH	Im Rosengarten, 256 61118 Bal Vilbel (Germany)	30.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	99.9500 0.0500	99.9500 0.0500
PANAMÁ ASISTENCIA, S.A.	Calle 50 local 9 D, piso 9 Panama, Bella Vista (Panama)	30.00%	Travel assistance	– MAPFRE ASISTENCIA	58.0000	58.0000
TUR ASSIST, LTD.	Hakki Yeten Caddesi Dogu is Merkezi 17/ 2 (Turkey)	30.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	91.6667 8.3333	91.6667 8.3333
URUGUAY ASISTENCIA, S.A.	Rincón, 487 of. 610 Montevideo (Uruguay)	30.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	94.8165 5.1835	94.8165 5.1835
ASISTENCIA BOLIVIANA, S.A.	Celso Castedo Barba, 39 Centro- Santa Cruz (Bolivia)	25.00%	Travel assistance	– MAPFRE ASISTENCIA	99.4600	99.4600
COSTA RICA ASISTENCIA	Sabana Norte rest Chicote 100 mN 25 E 200 N 25 E San José de Costa Rica (Costa Rica)	30.00%	Travel assistance	– MAPFRE ASISTENCIA	100.0000	100.0000
QUETZAL ASISTENCIA, S.A.	Diagonal 6, zona 10 Ed. internaciones, Of. 301 (Guatemala)	–	Travel assistance	– MAPFRE ASISTENCIA	99.9920	99.9920
EL SALVADOR ASISTENCIA, S.A.	Centro Finarc Gigarte Torre B 3º nivel sobre Alameda Roosevelt S. Salvador (El Salvador)	25.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	99.9900 0.0100	99.9900 0.0100
LLC MAPFRE WARRANTY	Russia		Travel assistance	– MAPFRE ASISTENCIA	100.0000	–
NICASSIT, S.A.	Colonial Los Robles, Managua, (Nicaragua)	30.00%	Travel assistance	– MAPFRE ASISTENCIA	100.0000	100.0000

Financial year end figures										
Assets		Equity		Revenues		Results in financial year		Method or procedure		
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
335,778	284,614	120,426	101,227	253,097	237,718	12,211	3,195	(A)	(A)	
491	495	264	281	927	1,102	50	97	(A)	(A)	
15,641	12,510	10,203	6,556	35,652	33,278	2,814	860	(A)	(A)	
2,612	2,279	2,087	1,558	3,607	1,423	506	364	(C)	(A)	
4,465	3,201	3,084	1,119	5,407	2,784	1,011	37	(A)	(A)	
3,976	3,275	1,769	1,328	7,413	7,415	156	(250)	(A)	(A)	
3,357	4,368	1,743	1,442	8,726	9,117	(9)	192	(A)	(A)	
7,307	6,791	5,966	2,399	15,924	14,076	65	317	(A)	(A)	
7,921	8,381	2,924	2,347	15,013	9,727	1,033	1,002	(A)	(A)	
7,893	6,786	1,873	754	5,588	5,739	98	(20)	(A)	(A)	
1,978	2,612	1,508	1,730	1,816	2,847	195	391	(A)	(A)	
7,273	10,203	4,799	3,950	6,997	4,783	2,043	2,632	(A)	(A)	
-	-	-	-	-	-	-	-	-	-	(A)
1,326	1,813	(118)	400	2,563	4,269	(492)	47	(A)	(A)	
1,960	2,133	1,908	1,108	1,642	1,464	272	279	(A)	(A)	
1,124	924	768	393	3,782	2,708	83	77	(A)	(A)	
-	-	5,784	5,782	-	-	-	290	(A)	(C)	
671	504	446	259	757	446	79	101	(A)	(A)	
4,341	4,307	4,248	4,053	-	11,353	195	1,051	(A)	(A)	
21	279	(220)	(32)	-	-	(188)	(65)	(A)	(A)	
10,780	9,640	5,345	3,223	23,704	25,016	1,678	1,709	(A)	(A)	
-	-	73	79	-	-	(10)	29	(B)	(B)	
2,104	846	939	530	2,243	1,392	260	186	(A)	(A)	
2,967	2,535	1,449	1,033	26,430	25,460	(75)	398	(A)	(A)	
1,547	1,392	693	346	3,823	2,806	130	2	(A)	(A)	
-	-	(52)	(144)	-	-	-	(333)	(B)	(B)	
-	-	178	130	-	-	(130)	(43)	(B)	(B)	
510	465	386	253	1,468	1,474	172	94	(A)	(A)	
248	278	20	46	391	607	(120)	(146)	(A)	(A)	
255	-	251	-	-	-	-	-	(A)	-	
-	-	98	189	-	-	16	35	(B)	(B)	

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009 2008	
BENELUX ASSIST, S.A.	Rue de Treves, 45 Bruxelles, (Belgium)	34.00%	Travel assistance	– MAPFRE ASISTENCIA	70.0000	70.0000
MAPFRE WARRANTY S.P.A.	Strada Trossi 10/ A 13030 Verrone (Italy)	37.25%	Warranty extension	– MAPFRE ASISTENCIA – IBEROASISTENCIA	99.9900 0.0100	99.9900 0.0100
ALLIANCE OPTIMALE, S.L.R.	Zac de la Donniere, 8 69970 Marennes (France)	33.00%	Warranty of vehicles	– MAPFRE WARRANTY	100.0000	100.0000
MAPFRE WARRANTIES	Route des Trois Cantons 11 L- 18399 Windhoj (Luxembourg)	–	Warranty of vehicles	– MAPFRE WARRANTY	100.0000	100.0000
NORASIST, INC D/B/A ROAD CANADA	1930 Yonge S. T. Suite 1028 Toronto, Ontario M4S 1Z4 (Canada)	30.00%	Travel assistance	– MAPFRE ASISTENCIA	100.0000	100.0000
BRICKELL FINANCIAL SERVICES MOTOR CLUB INC.	7300 Corporate Center Drive, Suite 601 Miami –Florida 33126 (USA)	37.30%	Travel assistance	– MAPFRE ASISTENCIA	100.0000	100.0000
ROAD CHINA ASSISTANCE Co, LTD	Jiangoulu Chaoyang District, Beijing, PR (China)	30.00%	Travel assistance	– MAPFRE ASISTENCIA	100.0000	100.0000
MAPFRE ABRAXAS	Narrow Quay House Bristol – (United Kingdom)	12.50%	Pecuniary losses	– MAPFRE ASISTENCIA	100.0000	100.0000
HOME 3	United Kingdom			– MAPFRE ABRAXAS	50.0000	–
CENTRO INTERNACIONAL DE SERVICIOS Y ASISTENCIA, S.A.	Edificio Biotec Plaza Local 010 Ruta 8 Km 17, 500 Montevideo (Uruguay)	30.00%	Call Center	– MAPFRE ASISTENCIA	100.0000	100.0000
INDIA ROADSIDE ASSISTANCE PRIVATE LIMITED	4th Floor Dynasty Business Park Building ; Andheri Kurla Road Mumbai Maharashtra (India)	34.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA	99.6300 0.3700	99.6300 0.3700
ARABA ASSIST FOR LOGISTIC SERVICES	Jordan		Travel assistance	– MAPFRE ASISTENCIA	100.0000	–
ROADSIDE ASSIST ALGERIE SPA	57, Rue des Freres Adessalami 3eme étage. Vieux Kouba. Alger (Algeria)	40.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA – IBEROCONSULTING	60.3000 0.0004 0.0003	60.3000 0.0004 0.0003
NILE ASSIST	19713 26 JULY ST. MOHANDSEEN 2º FLOOR (Giza) Egypt	20.00%	Travel assistance	– MAPFRE ASISTENCIA – IBEROASISTENCIA – IBEROCONSULTING	98.0000 1.0000 1.0000	98.0000 1.0000 1.0000
LIB ASSIST	Shohadaa El-Sahtht, Nuffleyeen P. o. Box 72166 Tripoli. Lybia	35.00%	Travel assistance	– MAPFRE ASISTENCIA	51.0000	51.0000
SERVICES FOR THE ELDERLY						
MAPFRE QUAVITAE S.A.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Assistance services	– MAPFRE FAMILIAR – MAPFRE S.A.	10.7651 46.0733	10.7651 46.0733
QUAVITAE BIZI-KALITATE S.L.	C/ Teodoro González de Zárate, 14 (Vitoria) Spain	28.00%	Services for the elderly	– MAPFRE QUAVITAE	99.9900	99.9900
AZUL CENTROS RESIDENCIALES S.A.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Services for the elderly	– MAPFRE QUAVITAE	100.0000	50.0000
PROVITAE CENTROS ASISTENCIALES S.L.	C/ Fuencarral, 123 (Madrid) Spain	30.00%	Services for the elderly	– MAPFRE QUAVITAE	50.0000	50.0000
BIOINGENIERIA ARAGONESA, S.L.	C/ Francisco de Rojas, 8 (Madrid) Spain	30.00%	Technology for the elderly	– MAPFRE QUAVITAE – MAPFRE FAMILIAR – QUAVITAE BIZI-KALIT	30.0000 40.0000 30.0000	30.0000 40.0000 30.0000
REAL ESTATE						
MAPFRE INMUEBLES, S.A.	Avda. General Perón, 38 (Madrid) Spain	29.00% (1)	Real Estate	– MAPFRE S.A.	99.9806	99.9806
INMO ALEMANIA GESTIÓN DE ACTIVOS INMOBILIARIOS, S.L.	Pso. De la Castellana, 24 (Madrid) Spain	–	Real Estate	– MAPFRE FAMILIAR – MAPFRE EMPRESAS	10.0000 10.0000	10.0000 10.0000
DESARROLLOS URBANOS CIC. S.A.	Avda. General Perón, 38 (Madrid) Spain	30.00% (1)	Real estate services	– MAPFRE INMUEBLES – MAPFRE S.A.	89.9216 0.0784	89.9216 0.0784
SERVICIOS INMOBILIARIOS MAPFRE S.A.	Avda. General Perón, 38 (Madrid) Spain	30.00% (1)	Real Estate	– MAPFRE INMUEBLES – DESARROLLOS URBANOS	99.9000 0.1000	99.9000 0.1000
INMOBILIARIA MAPINVER S.A.	Avda. General Perón, 38 (Madrid) Spain	30.00%	Real Estate	– MAPFRE INMUEBLES	50.0000	50.0000
INMOBILIARIA BRAVO UREÑA S.L.	Juan Bravo, 3 (Madrid) Spain	30.00%	Real Estate	– MAPFRE INMUEBLES	50.0000	50.0000
PUERTA DE ALCORCÓN 12, S.L.(merged with MAPFRE FAMILIAR in 2009)	C/ Arzobispo Morcillo, 62 (Madrid) Spain	– (1)	Real Estate	– MAPFRE FAMILIAR	–	100.0000

Financial year end figures											
Assets		Equity		Revenues		Results in financial year		Method or procedure			
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
3,961	3,539	3,001	2,456	9,793	3,046	726	636	(A)		(A)	
29,272	23,991	7,612	4,168	28,412	28,200	4,174	2,703	(A)		(A)	
-	-	-	-	-	-	-	-	-	-	-	(A)
-	-	-	-	-	-	-	-	(A)		(A)	
643	604	376	275	2,219	2,130	51	21	(A)		(A)	
11,289	13,123	6,248	5,459	37,619	34,963	611	484	(A)		(A)	
980	822	(726)	(688)	2,148	1,134	72	(386)	(A)		(A)	
4,476	4,549	4,053	2,836	12,176	12,727	929	1,383	(A)		(A)	
977	-	522	-	-	-	(420)	-	(C)		-	
399	472	252	342	1,040	1,098	(15)	96	(A)		(A)	
1,267	978	525	190	197	27	(725)	(667)	(A)		(A)	
661	-	492	-	47	-	(41)	-	(A)		-	
1,145	552	649	409	657	250	251	(55)	(A)		(A)	
213	138	147	138	-	-	-	-	(A)		(A)	(F)
413	285	308	238	-	-	(171)	(54)	(A)		(A)	(F)
97,782	90,496	41,950	43,959	124,492	103,777	(2,434)	(1502)	(C)		(A)	
24,109	23,686	7,352	7,717	14,284	15,175	(366)	1,783	(A)		(A)	
4,703	4,716	625	(155)	1,765	1,253	(326)	(847)	(A)		(E)	
8,216	8,149	6,589	6,642	-	-	(54)	(66)	(E)		(E)	
4,101	6,337	624	1,534	2,217	4,043	(1,040)	(894)	(C)		(A)	
593,538	627,137	96,386	111,369	56,919	59,926	(13,093)	(31,938)	(A)		(A)	
-	-	-	-	-	-	-	-	(C)		(C)	
116,216	111,173	590	581	14	35	9	25	(A)		(A)	
753	658	517	502	1,854	1,770	157	151	(A)		(A)	
20,140	20,845	3,102	4,786	1	37	(383)	-	(A)		(E)	
152	160	148	147	1	7	1	4	(A)		(E)	
-	82	-	82	-	-	-	-	-		-	(A)

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009	2008
INTERNATIONAL						
MAPFRE INTERNACIONAL S.A.	Paseo de Recoletos, 25 (Madrid) Spain	30.00% (1)	Holding company	– MAPFRE S.A.	87.5000	87.5000
TÜRKIYE GENEL SIGORTA, A.S.	Meclisi Mebusan CAD. 89/ 4 Salipazari Istambul (Turkey)	20.00%	Insurance	– MAPFRE INTERNACIONAL	90.0000	80.0000
GENEL YASAM SIGORTA, A.S.	Meclisi Mebusan CAD. 91 Salipazari Istambul (Turkey)	20.00%	Insurance	– GENEL SIGORTA	100.0000	100.0000
MAPFRE SEGUROS GERAIS S.A.	Rua Castilho, 52 Lisboa (Portugal)	25.00%	Insurance and reinsurance	– MAPFRE INTERNACIONAL – MAPFRE CAUCIÓN – MAPFRE EMPRESAS – MAPFRE FAMILIAR	99.9991 0.0003 0.0003 0.0003	99.9991 0.0003 0.0003 0.0003
MIDDLESEA INSURANCE P.L.C.	Middle Sea House Floriana JTL, 16 (Malta)	35.00%	Insurance	– MAPFRE INTERNACIONAL	30.7934	21.0000
MAPFRE INSULAR INSURANCE CORPORATION	Acacia Ave Mandrigal Business Park Ayala Alabarg, MuntinlupaCity (Philippines)	30.00%	Insurance	– MAPFRE INTERNACIONAL	74.9384	74.9384
MAPFRE USA CORPORATION (merged with COMMERCE INSURANCE COMPANY in 2009)	5959 Blue Lagoon Drive, Suite 400, Miami (USA)	35.00%	Holding	– MAPFRE INTERNACIONAL	–	100.0000
AMSTAR INSURANCE COMPANY (merged with MAPFRE INSURANCE COMPANY OF FLORIDA in 2009)	5959 Blue Lagoon Drive, Suite 400, Miami (USA)	35.00%	Insurance	– MAPFRE USA CORPORATION	–	100.0000
MAPFRE INSURANCE COMPANY OF FLORIDA	5959 Blue Lagoon Drive, Suite 400, Miami (USA)	35.00%	Insurance	– MAPFRE USA CORPORATION – COMMERCE INSURANCE	– 100.0000	100.0000 –
MAPFRE INSURANCE COMPANY	100 Campus Drive New Jersey 07932-2007 (USA)	35.00%	Insurance and reinsurance	– MAPFRE USA CORPORATION – COMMERCE INSURANCE	– 100.0000	100.0000 –
MAPFRE INTERMEDIARIES	5959 Blue Lagoon Drive, Suite 400, Miami (USA)	35.00%	Services	– MAPFRE USA CORPORATION – COMMERCE INSURANCE	– 100.0000	100.0000 –
THE COMMERCE GROUP, INC.	211 Main Street, Webster, MA 01570 (USA)	35.00%	Insurance	– MAPFRE INTERNACIONAL	100.0000	100.0000
COMMERCE HOLDINGS, INC.(merged with COMMERCE GROUP,INC. in 2009)	211 Main Street, Webster, MA 01570 (USA)	35.00%	Holding company	– COMMERCE GROUP	–	100.0000
THE COMMERCE INSURANCE COMPANY	211 Main Street, Webster, MA 01570 (USA)	35.00%	Insurance	– COMMERCE HOLDINGS – COMMERCE GROUP	– 100.0000	100.0000 –
THE CITATION INSURANCE COMPANY	214 Main Street, Webster, MA 01570 (USA)	35.00%	Insurance	– COMMERCE HOLDINGS – COMMERCE GROUP	– 100.0000	100.0000 –
ACIC HOLDING COMPANY, INC.	215 Main Street, Webster, MA 01570 (USA)	35.00%	Holding company	– COMMERCE HOLDINGS – COMMERCE GROUP	– 95.0000	100.0000 –
AMERICAN COMMERCE INSURANCE COMPANY	3590 Twin Creeks Drive, Columbus, OH 43204 (USA)	35.00%	Insurance	– ACIC HOLDING	100.0000	100.0000
MM REAL STATE, LLC	Blue Lagoon, Drive Suite, 200 Miami (USA)	35.00%	Real Estate	– COMMERCE INSURANCE – MAPFRE FAMILIAR	100.0000 –	– 100.0000
THE COMMERCE WEST INSURANCE COMPANY	4301 Hacienda Drive, Suite 200, Pleasanton, CA 94588 (USA)	35.00%	Insurance	– ACIC HOLDING	100.0000	100.0000
SWICO ENTERPRISES, LTD. (merged with ACIC HOLDING COMPANY in 2009)	215 Main Street, Webster, MA 01570 (USA)	35.00%	Insurance	– ACIC HOLDING	–	100.0000
STATE-WADE INSURANCE COMPANY	20 Main Street Hempstead, NY 11550 (USA)	35.00%	Insurance	– SWICO ENTERPRISES – ACIC HOLDING	– 100.0000	100.0000 –
OTHERS						
CENTRO INTERNACIONAL DE FORMACIÓN DE DIRECTIVOS S.A.	Ctra. Nacional I, km 32, 500 (San Agustín de Guadalix) Spain	– (1)	Training	– MAPFRE S.A.	100.0000	100.0000
MAPFRE SERVICIOS DE INFORMÁTICA S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	30.00% (1)	Research, training & advisory	– MAPFRE, S.A. – MAPFRE FAMILIAR	95.8333 4.1667	95.8333 4.1667

Financial year end figures										
Assets		Equity		Revenues		Results in financial year		Method or procedure		
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
2,149,576	2,169,908	2,070,254	2,035,959	91,026	128,514	68,409	34,724	(A)		(A)
424,338	423,793	234,090	229,166	156,611	184,609	30,161	45,569	(A)		(A)
117,574	121,969	15,966	16,227	52,920	72,357	(624)	1,551	(A)		(A)
229,266	-	60,310	-	90,629	-	3,484	-	(A)		-
104,374	311,511	15,199	78,854	17,495	71,119	(20,959)	(2,173)	(B)		(C)
43,880	39,690	20,069	18,293	17,379	16,178	2,782	2,446	(A)		(A)
-	1,915	-	1,915	-	16	-	(1,324)	-		(A)
-	4	-	3,665	-	171	-	340	-		(A)
49,478	41,070	23,762	17,479	17,647	11,784	1,854	808	(A)		(A)
27,610	29,749	23,586	21,666	1,337	1	1,937	467	(A)		(A)
111	85	88	75	-	-	3	9	(A)		(A)
1,162,912	1,408,899	906,227	1,090,842	3,877	6,527	(5,819)	15,531	(A)		(A)(G)
-	-	-	-	-	-	-	-	-		(A)(G)
1,969,561	2,617,424	895,505	995,619	951,943	1,489,767	70,891	28,619	(A)		(A)(G)
202,699	238,699	96,067	106,929	107,904	168,837	7,174	238	(A)		(A)(G)
212,478	257,344	212,119	256,763	-	-	(14)	4,125	(A)		(A)(G)
230,582	294,545	115,133	136,293	102,353	159,027	6,915	1,320	(A)		(A)(G)
8,128	8,186	7,775	7,757	666	684	18	(139)	(A)		(A)
109,099	143,202	55,528	63,375	47,999	74,838	4,338	(449)	(A)		(A)(G)
-	-	-	-	-	-	-	-	-		(A)(G)
80,946	105,221	48,329	56,712	35,477	54,716	3,116	3,478	(A)		(A)(G)
-	545	-	153	-	1,108	-	49	(A)		(A)
10,860	9,578	3,072	2,990	16,839	17,830	82	72	(A)		(A)

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009 2008	
MAPFRE INTERNET S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	- (1)	IT	- MAPFRE VIDA - MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE RE - MAPFRE S.A. - MAPFRE ASISTENCIA - MAPFRE EMPRESAS - MAPFRE FAMILIAR	15.0000 1.2500 1.0000 1.0000 2.0000 1.2500 78.500	15.0000 1.2500 1.0000 1.0000 2.0000 1.2500 78.500
MAPFRE INFORMÁTICA A.I.E.	Ctra. Pozuelo, 52 (Majadahonda) Spain	-	IT	- MAPFRE FAMILIAR - MAPFRE INVERSIÓN - MAPFRE VIDA - MAPFRE CAUCIÓN Y CRÉDITO - MAPFRE S.A. - MAPFRE RE - MAPFRE ASISTENCIA - MAPFRE AMÉRICA - MAPFRE EMPRESAS	78.7000 0.5000 5.0000 2.5000 0.2000 1.0000 1.0000 0.6000 10.5000	78.7000 0.5000 5.0000 2.5000 0.2000 1.0000 1.0000 0.6000 10.5000
MAPFRE AMÉRICA						
MAPFRE AMÉRICA S.A.	Ctra. Pozuelo, 52 (Majadahonda) Spain	35.00% (1)	Holding company	- MAPFRE S.A. - MAPFRE FAMILIAR	88.8621 0.0001	88.8621 0.0001
ARGENTINA						
MAPFRE ARGENTINA HOLDING S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Holding company	- MAPFRE AMÉRICA	100.0000	100.000
MAPFRE ARGENTINA SEGUROS S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Insurance	- MAPFRE ARGENTINA HOLDING	99.9988	99.9988
ACONCAGUA SEGUROS DE RETIRO S.A.	Lavalle, 348 Buenos Aires (Argentina)	35.00%	Insurance	- MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA SEGUROS	23.5688 76.4312	23.5688 76.4312
SURASSUR S.A.	Lavalle, 348 Buenos Aires (Argentina)	35.00%	Insurance brokerage	- MAPFRE ARGENTINA HOLDING	100.0000	100.0000
MAPFRE ARGENTINA A.R.T.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Professional accident insurance	- MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA SEGUROS	97.0000 3.0000	99.4456 0.5544
MAPFRE SALUD S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	-	Insurance	- MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA ART - MAPFRE ARGENTINA VIDA	95.0000 2.5000 2.5000	95.0000 2.5000 2.5000
CLUB MAPFRE ARGENTINA	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Provision of services	- MAPFRE ARGENTINA HOLDING - MAPFRE ARGENTINA VIDA	97.9700 2.0300	97.9700 2.0300
MAPFRE ARGENTINA SEGUROS DE VIDA S.A.	Avda. Juana Manso, 205 C 1107CBE Puerto Madero Buenos Aires (Argentina)	35.00%	Insurance	- MAPFRE AMÉRICA - MAPFRE ARGENTINA HOLDING	80.0000 20.0000	80.0000 20.0000
BRAZIL						
MAPFRE VERA CRUZ SEGURADORA S.A.	Avda. de las Naciones Unidas nº 11. 711 Balro Brooklin Novo Sao Paulo (Brazil)	40.00%	Insurance	- CLUBE MAPFRE DO BRASIL LTDA. - MAPFRE AMÉRICA	9.7830 90.2174	9.7830 90.2174
MAPFRE VERA CRUZ CONSULTORIA TECNICA E ADMINISTRAÇÃO DE FUNDOS LTDA.	Avd. Nações Unidas, 11711 16. Andar Brooklin -Sao Paulo. (Brazil)	40.00%	Fund administration	- MAPFRE VERA CRUZ VIDA E PREVIDENCIA, S.A.	100.000	100.000
GVH PARTICIPAÇÕES E EMPRENDIMENTOS LTDA	Avd. Nações Unidas, 11711 16. Andar Brooklin -Sao Paulo. (Brazil)	40.00%	Provision of services	- MAPFRE VERA CRUZ SEGURADORA	100.000	100.000
MAPFRE CAPITALIZAÇÃO	Avd. Nações Unidas, 11711 16. Andar Brooklin -Sao Paulo. (Brazil)	40.00%	Capitalisation	- MAPFRE VERA CRUZ SEGURADORA	100.000	100.000
VIDA SEGURADORA	Rua Araujo Porto Alegre, 36 3 Andar, Rio de Janeiro (Brazil)	40.00%	Life assurance	- GVH PARTICIPAÇÕES E EMPRENDIMENTOS LTDA - MAPFRE VERA CRUZ SEGURADORA	92.080 7.9200	92.080 7.9200
MAPFRE RISCOS ESPECIAIS SEGURADORA S.A.	Avda. de las Naciones Unidas nº 11. 711 Balro Brooklin Novo Sao Paulo (Brazil)	40.00%	Insurance	- MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000
CLUBE MAPFRE DO BRASIL LTDA.	Avda. dos Autonomistas, 701 Vila- Yara – Osasco SP CEP 06020-000 (Brazil)	34.00%	Advisory	- MAPFRE AMÉRICA	99.486	99.486
MAPFRE NOSSA CAIXA VIDA E PREVIDENCIA, S.A.	Al. Santos, 415, 7 ardar Sao Paulo (Brazil)	40.00%	Insurance	- MAPFRE PARTICIPAÇÕES LTDA	51.0000	51.0000

Financial year end figures										
Assets		Equity		Revenues		Results in financial year		Method or procedure		
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
6,075	6,178	3,231	3,137	6,159	14,527	93	67	(C)		(C)
38,462	34,924	1,000	1,000	138,144	117,066	-	-	(A)		(A)
1,168,146	1,020,207	1,037,691	984,034	47,231	101,053	144,725	80,851	(A)		(A)
56,407	55,356	46,587	54	359	278	(1,280)	8,090	(A)		(A)
293,999	283,487	36,816	36,639	178,527	235,117	633	5,355	(A)		(A)
-	-	-	-	-	-	-	-	(C)		(A)
517	245	(29)	80	2,127	-	(525)	-	(A)		(A)
96,700	78,518	19,717	18,874	144,261	117,457	(290)	4,555	(A)		(A)
1,308	(76)	610	(155)	1,413	436	(272)	(477)	(A)		(A)
1,072	1,201	348	368	24	1,746	24	(783)	(A)		(A)
28,689	34,573	7,883	6,523	26,161	24,109	2,114	2,662	(A)		(A)
1,447,943	950,947	421,157	307,858	774,167	803,727	39,613	44,420	(A)		(A)
21,973	16,784	21,037	16,125	1,802	344	189	141	(A)		(A)(F)
106,853	12,727	100,472	12,727	17,360	-	17,198	(511)	(A)		(A)(F)
10,243	4,736	6,382	4,012	2,203	776	1,098	378	(A)		(A)(F)
38,777	26,436	20,420	14,255	27,493	15,815	2,301	2,549	(A)		(A)(F)
84,906	62,255	41,853	29,828	74,349	68,955	11,474	9,082	(A)		(A)
18,577	13,088	15,225	11,762	12,190	11,654	(300)	(495)	(A)		(A)
408,744	218,913	40,208	23,230	202,981	195,368	41,770	34,996	(A)		(A)

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009 2008	
DETECTAR DESENVOLVIMIENTO DE TECNICAS PARA TRANSFERENCIAS ES ADMINISTRAÇÃO DE RISCOS LTDA.	Avda. de las Naciones Unidas nº 11. 711 Balrro Brooklin Novo Sao Paulo (Brazil)	34.00%	Risk administration	– MAPFRE VERA CRUZ SEGURADORA	100.0000	100.0000
MAPFRE PARTICIPAÇÕES LTDA	Avda. de las Naciones Unidas nº 11. 711 Balrro Brooklin Novo Sao Paulo (Brazil)	40.00%	Securities broker-dealer	– MAPFRE VERA CRUZ SEGURADORA – CLUBE MAPFRE DO BRASIL	100.000 –	99.9000 0.1000
MAPFRE VERA CRUZ VIDA E PREVIDENCIA	Avda. de las Naciones Unidas nº 11. 711 Balrro Brooklin Novo Sao Paulo (Brazil)	40.00%	Insurance	– MAPFRE AMÉRICA – MAPFRE VERA CRUZ SEGURADORA	86.328 9.900	86.328 9.900
MAPFRE DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIARIOS, S.A.	Avda. de las Naciones Unidas nº 11. 711 Balrro Brooklin Novo Sao Paulo (Brazil)	40.00%	Securities distributor	– MAPFRE VERA CRUZ VIDA E PREVIDENCIA, S.A.	100.0000	100.0000
CHILE						
MAPFRE CHILE SEGUROS S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Holding	– MAPFRE AMÉRICA – MAPFRE CHILE REASEGUROS	99.9937 0.0042	99.9937 0.0042
EUROAMÉRICA ASESORÍAS GENERALES S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Investment firm	– MAPFRE CHILE SEGUROS	100.0000	100.0000
MAPFRE COMPAÑÍA DE SEGUROS GENERALES DE CHILE S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Insurance	– MAPFRE CHILE SEGUROS – EUROAMÉRICA ASESORÍAS	77.5100 22.4900	75.5000 24.5000
MAPFRE CHILE VIDA, S.A.	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Holding	– MAPFRE AMÉRICA	100.0000	100.0000
MAPFRE COMPAÑÍA DE SEGUROS DE VIDA DE CHILE	Isidoro Goyenechea 3520 p 16 Las Condes Santiago de Chile (Chile)	17.00%	Insurance	– MAPFRE CHILE VIDA	100.0000	100.0000
INVERSIONES MAPFRE CHILE LIMITADA (in 2008 INVERSIONES LA MAGDALENA LIMITADA)	C/ Teatinos 280 (Chile)	–	Real Estate	– MAPFRE FAMILIAR – MAPFRE AMERICA – MAPFRE CHILE SEGUROS	– 99.9900 0.0100	100.0000
COLOMBIA						
MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Insurance	– MAPFRE AMÉRICA – APOINT	94.2294 5.7623	94.2294 5.7623
CREDIMAPFRE	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Property finance	– GESTIMAP – MAPFRE SEGUROS GENERALES DE COLOMBIA	5.0854 94.9144	5.0854 94.9144
GESTIMAP S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	34.00%	Vehicle spare parts information	– MAPFRE SEGUROS GENERALES DE COLOMBIA – CREDIMAPFRE	92.5888 7.4107	92.5888 7.4107
AUTOMOTORES CAPITAL LTDA	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	38.50%	Repair, purchase & sale of vehicles	– CREDIMAPFRE	100.0000	100.0000
MAPFRE COLOMBIA VIDA S.A.	Carrera, 14, nº 96-34 Santa Fé de Bogotá (Colombia)	38.50%	Insurance	– MAPFRE AMÉRICA – APOINT – MAPFRE SEGUROS GENERALES DE COLOMBIA	94.2853 5.7146 0.0001	94.2853 5.7146 0.0001
ECUADOR						
MAPFRE ATLAS COMPAÑÍA DE SEGUROS, S.A.	Kennedy e Norte, Justino Cornejo y Avda, Luis Orrantia. Edificio Torres Atlas Guayaquil (Ecuador)	25.00%	Insurance	– MAPFRE AMÉRICA	58.2000	58.2000
MEXICO						
MAPFRE TEPEYAC S.A.	Av. Magnocentro 5 Col. C. San Fernando Huixquilucan (Mexico)	28.00%	Insurance	– MAPFRE AMÉRICA – GRUPO CORPORATIVO LML	55.6602 44.3398	55.6602 44.3398
GRUPO CORPORATIVO LML S.A. DE C.V.	Av. Magnocentro 5 Col. C. San Fernando Hixquilucan (Mexico)	28.00%	Holding company	– MAPFRE AMÉRICA	100.0000	100.0000
UNIDAD MÓVIL DE DIAGNÓSTICO S.A.	Av. Magnocentro 5 Col. C. San Fernando Hixquilucan (Mexico)	28.00%	Medical services	– MAPFRE TEPEYAC	99.9982	99.9982
ASSET DEFENSA LEGAL MEXICANA S.A. DE C.V.	Prado Sur, 230 Col. Lomas Chapultepec México D. F. (Mexico)	28.00%	Legal advisory	– MAPFRE TEPEYAC	78.8145	78.8145
TEPEYAC INC.	109 Este San Ysidro Blvd #65 San Isidro California (USA)	28.00%	Car insurance for tourists	– MAPFRE TEPEYAC	100.0000	100.0000
TEPEYAC ASESORES	Av. Magnocentro 5 Col. C. San Fernando Hixquilucan (Mexico)	30.00%	Fund administration	– MAPFRE AMÉRICA – MAPFRE TEPEYAC	51.0000 16.0000	51.0000 16.0000

Financial year end figures											
Assets		Equity		Revenues		Results in financial year		Method or procedure			
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
2,051	1,960	1,957	1,690	250	1,764	(207)	497	(A)		(A)	
19,008	76,523	19,007	76,520	2,688	17,868	2,120	13,822	(A)		(A)	
869,943	578,906	19,079	132,476	454,277	433,076	23,814	12,517	(A)		(A)	
8,910	1,989	5,443	991	9,294	3,885	4,148	1,703	(A)		(A)	
200,023	229,961	23,214	22,786	59,508	46,414	1,083	(307)	(A)		(A)	
5,068	3,977	4,798	4,662	-	423	250	(38)	(A)		(A)	
198,575	228,784	21,293	20,679	57,958	45,979	1,083	(2,371)	(A)		(A)	
2,836	2,773	2,822	2,892	-	-	-	-	(A)		(A)	
42,872	38,589	2,836	2,773	3,132	3,145	(285)	(400)	(A)		(A)	
25,246	20,613	23,031	17,777	2,137	3,700	1,230	5,164	(A)		(A)	
141,530	114,438	20,080	18,893	197,252	175,746	-	(1,790)	(A)		(A)	
7,971	7,209	4,495	4,212	1	2,329	-	255	(A)		(A)	
-	-	-	-	-	-	-	-	(A)		(A)	
-	-	-	-	-	-	-	-	(B)		(A)	
216,064	126,648	16,371	11,479	172,359	126,648	3,725	2,057	(A)		(A)	
14,195	14,811	6,173	5,217	25,939	20,006	886	986	(A)		(A) (G)	
594,552	579,006	131,421	118,642	290,282	244,447	699	11,958	(A)		(A)	
27,694	27,248	19,284	27,248	9	8	1,479	(2)	(A)		(A)	
1,321	690	257	265	5,144	4,153	63	80	(A)		(A)	
503	415	389	303	2,296	2,270	39	(9)	(A)		(A)	
-	12	-	(110)	-	85	-	2	(A)		(A)	
376	360	268	259	8	2	4	11	(A)		(A)	

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009	2008
CESVI MÉXICO, S.A.	Calle 1 Sur nº 101 Parque Ind. Toluca 2000 Toluca (Mexico)	28.00%	Research centre	– MAPFRE TEPEYAC	13.9500	13.9500
PANAMÁ						
ASEGURADORA MUNDIAL	Panama	19.00%	Insurance	– MAPFRE AMÉRICA	56.6490	–
MUNDIAL DESARROLLO	Panama	19.00%	Insurance	– MAPFRE AMÉRICA	57.0600	–
PARAGUAY						
MAPFRE PARAGUAY COMPAÑÍA DE SEGUROS S.A.	Av. Mariscal López, 910 Asunción (Paraguay)	10.00%	Insurance	– MAPFRE AMÉRICA	89.5400	89.2900
PERU						
MAPFRE PERÚ COMPAÑÍA DE SEGUROS Y REASEGUROS	Av. Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Insurance and reinsurance	– MAPFRE AMÉRICA	99.2376	98.9803
MAPFRE PERÚ ENTIDAD PRESTADORA DE SALUD	Av. Veintiocho de Julio, 873 Miraflores- Lima 18 (Peru)	30.00%	Medical assistance	– MAPFRE AMÉRICA	98.5900	98.5900
MAPFRE PERÚ VIDA, COMPAÑÍA DE SEGUROS, S.A.	Avda. 28 de Julio, Miraflores-Lima (Peru)	30.00%	Insurance	– INVERSIONES PERUANAS	67.2725	67.2725
CORPORACIÓN FINISTERRE, S.A.	Avda. 28 de Julio, Miraflores-Lima (Peru)	30.00%	Undertaker services	– MAPFRE PERÚ VIDA.	100.0000	100.0000
PUERTO RICO						
MAPFRE PRAICO CORPORATION	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Insurance	– MAPFRE AMÉRICA	100.0000	100.0000
MAPFRE PRAICO INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Insurance	– MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE PREFERRED RISK INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Insurance	– MAPFRE PRAICO INSURANCE	100.0000	100.0000
MAPFRE PAN AMERICAN INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Insurance	– MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE INSURANCE AGENCY OF PUERTO RICO, INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Insurance brokerage	– MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE FINANCE OF PUERTO RICO CORP	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Financial	– MAPFRE PRAICO CORPORATION	100.0000	100.0000
MAPFRE LIFE INSURANCE COMPANY	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Insurance	– MAPFRE PRAICO CORPORATION – MAPFRE AMÉRICA	100.0000 –	65.4100 34.5900
BALDRICH & ASSOCIATES INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Insurance brokerage	– MAPFRE PRAICO CORPORATION	100.0000	100.0000
AUTO GUARD INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Extended warranty contracts	– MAPFRE PRAICO CORPORATION	100.0000	100.0000
CLUB MAPFRE DEL AUTOMOVIL, INC.	Urb. Tres Monjitas Industrial 297 Avda. Carlos Chardón Hato RE. Y. - San Juan (Puerto Rico)	20.00%	Protection against theft	– MAPFRE PRAICO CORPORATION	100.0000	100.0000
DOMINICAN REPUBLIC						
MAPFRE DOMINICANA S.A.	Avd. Pedro H. Ureña, 150 esq. A. Lincoln. La Esperilla Santo Domingo (Dominican Republic)	25%	Securities broker-dealer	– MAPFRE AMÉRICA	99.9991	99.9991
MAPFRE BHD COMPAÑÍA DE SEGUROS, S.A.	Avda. Abraham Lincoln, 952 (Dominican Republic)	25%	Insurance	– MAPFRE DOMINICANA	51.0000	50.0000
CREDI PRIMAS, S.A.	Dominican Republic	25%	Policy financing	– MAPFRE BHD	100.0000	–
URUGUAY						
MAPFRE URUGUAY S.A.	Bulevar Artigas, 459 Montevideo (Uruguay)	25%	Insurance	– MAPFRE AMÉRICA	100.0000	100.0000
APOINT S.A.	Col. 993 Piso 3 Montevideo (Uruguay)	–	Financial	– MAPFRE AMÉRICA	100.0000	100.0000
REAL URUGUAYA DE SEGUROS	Avda. 18 de Julio, 988 Montevideo (Uruguay)	25%	Insurance	– MAPFRE AMÉRICA	100.0000	100.0000

Financial year end figures											
Assets		Equity		Revenues		Results in financial year		Method or procedure			
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
4,097	3,574	3,217	2,674	3,635	3,868	74	351	(D)		(D)	
184,664	-	40,418	-	-	-	-	-	(A)(G)			-
113,124	-	57,615	-	-	-	-	-	(A)(G)			-
32,946	186,649	11,302	59,667	21,738	123,503	2,361	8,812	(A)			(A)
115,931	76,945	26,794	18,700	104,401	72,048	3,577	2,029	(A)			(A)
1,547	1,100	539	599	4,753	1,689	(89)	(105)	(A)			(A)
121,364	109,565	14,370	11,454	35,393	33,739	2,562	1,609	(A)			(A)
3,060	2,361	2,958	2,220	3,894	3,786	(154)	1	(A)			(A)
194,397	555,601	210,005	187,779	26,695	158	24,414	(1,012)	(A)			(A)
358,132	400,125	175,639	158,049	179,131	175,378	15,110	11,935	(A)			(A)
74,322	82,910	24,915	25,930	27,558	26,976	3,113	4,030	(A)			(A)
18,596	19,062	11,909	11,099	4,575	4,033	688	1,083	(A)			(A)
404	703	(54)	(236)	1	7	211	8	(A)			(A)
3,094	3,361	2,203	1,740	443	1	299	87	(A)			(A)
62,666	62,074	21,945	10,429	114,876	124,597	10,950	(5,202)	(A)			(A)
2,194	2,658	72	(3)	10	-	57	113	(A)			(A)
10,384	10,567	(450)	182	2,894	2,691	(621)	250	(A)			(A)
834	557	220	198	6	722	(16)	(36)	(A)			(A)
16,482	13,552	16,982	13,548	1,968	312	1,964	303	(A)			(A)
76,409	67,730	17,754	15,021	149,019	139,734	4,368	3,117	(A)			(A)
415	-	139	-	30	-	-	-	(A)(G)			-
18,102	12,562	4,942	3,528	13,751	10,751	(488)	1,218	(A)			(A)
4,313	3,946	3,192	3,321	-	447	(17)	(21)	(A)			(A)
25,398	20,933	124	(364)	10,172	10,072	569	(2,748)	(A)			(A)

Name	Registered Office	Effective tax rate	Activity	Shareholding		
				Holder	% in share capital 2009	2008
VENEZUELA						
MAPFRE LA SEGURIDAD S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	17%	Insurance and reinsurance	– MAPFRE AMÉRICA	99.5159	99.5159
CEFOPROSEG C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	17%	Training	– MAPFRE LA SEGURIDAD	100.0000	100.0000
INVERSORA SEGURIDAD C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	17%	Policy financing	– MAPFRE LA SEGURIDAD	100.0000	100.0000
CLUB MAPFRE S.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	17%	Provision of services	– MAPFRE LA SEGURIDAD	100.0000	100.0000
INMOBILIARIA 96 C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	17%	Real Estate	– MAPFRE LA SEGURIDAD	100.0000	100.0000
AUTOMOTRIZ MULTISERVICAR, C.A.	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	17%	Vehicle repair shop	– MAPFRE LA SEGURIDAD	99.7000	99.7000
ESTACIONAMIENTOS EL CHORRO	Calle 3ª Parcela 9 Edif. Seg. La Seguridad Caracas (Venezuela)	17%	Property administration	– MAPFRE LA SEGURIDAD	100.0000	100.0000
EL SALVADOR						
MAPFRE LA CENTRO AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	25.00%	Insurance	– MAPFRE AMÉRICA	72.8853	72.8853
INMOBILIARIA AMERICANA S.A.	Alameda Roosevelt, 31-07 San Salvador (El Salvador)	25.00%	Real Estate	– MAPFRE AMÉRICA	78.8559	78.8559
SPAIN						
MAPFRE SOFT S.A.	Ctra. Pozuelo 52 (Majadahonda) Spain	32.50% (1)	IT	– MAPFRE AMÉRICA – MAPFRE FAMILIAR	99.9991 0.0009	99.9991 0.0009
INVERSIONES PERUANAS (merged with MAPFRE AMERICA in 2009)	Avda. General Perón, 40 (Madrid) Spain	32.50% (1)	Holding company	– MAPFRE AMÉRICA	–	100.0000

CONSOLIDATION METHOD OR PROCEDURE

- (A) Fully consolidated subsidiaries
- (B) Subsidiaries excluded from consolidation
- (C) Associated and investee undertakings consolidated by the equity method
- (D) Associated and investee undertakings excluded from consolidation
- (E) Joint ventures consolidated by proportional integration
- (F) Companies joining the consolidation perimeter in 2008
- (G) Companies joining the consolidation perimeter in 2009
- (H) Companies exiting the consolidation perimeter in 2009

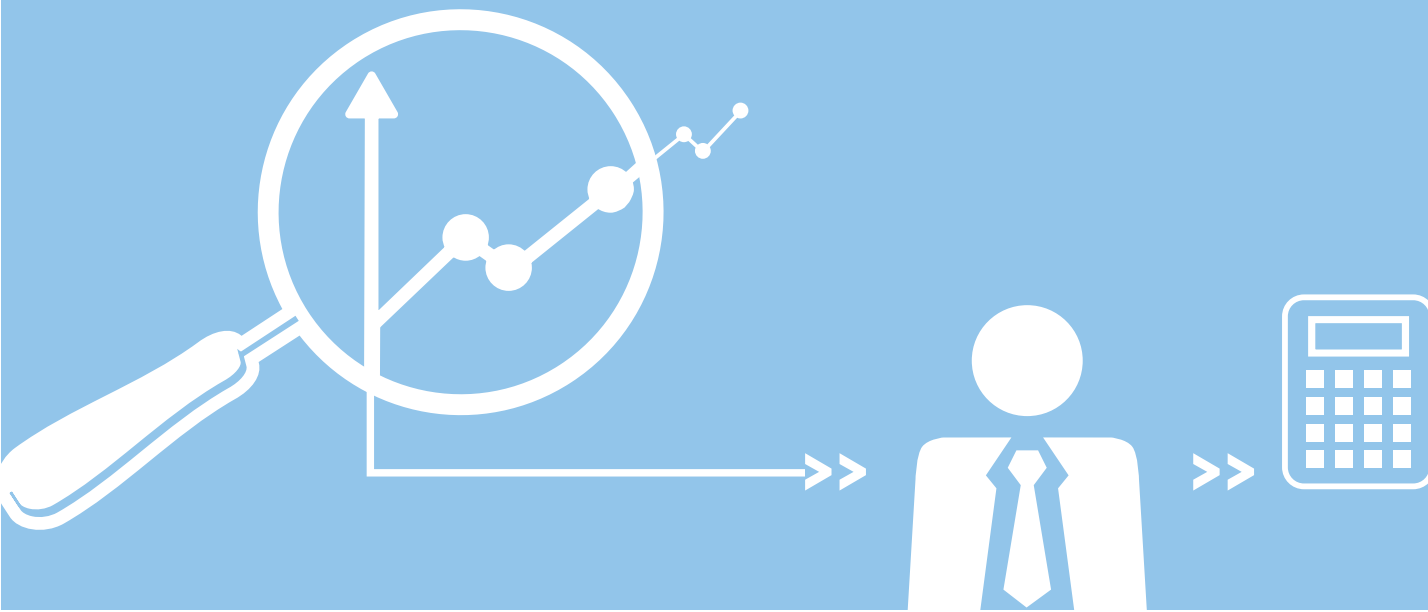
TAX GROUP

- (1) Company forming part of Tax Group 9/85

Financial year end figures										
Assets		Equity		Revenues		Results in financial year		Method or procedure		
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
346,148	274,935	177,731	150,531	967,030	853,082	16,617	11,123	(A)		(A)
4	4	2	3	-	116	(163)	(1)	(A)		(A)
189,701	128,932	177,362	124,092	52,049	24,532	19,851	9,612	(A)		(A)
339	380	367	352	32	26	(31)	26	(A)		(A)
4	3	-	6	-	-	-	-	(A)		(A)
1,999	1,618	2,219	3	1,317	-	(635)	-	(A)		(A)
4	4	4	4	-	-	-	-	(A)		(A)
-	43,392	-	10,114	-	18,527	-	1,463	(A)		(A)
-	5,977	-	4,995	-	468	-	74	(A)		(A)
4,829	5,384	2,026	2,437	7,505	5,801	(306)	330	(A)		(A)
-	11,668	-	11,666	-	1,300	-	774	-		(A)

7

Audit report for the 2009
annual consolidated financial statements 2009





Ernst & Young, S.L.
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Translation of the audit report and consolidated annual accounts originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 9)

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the Shareholders of
MAPFRE, S.A.

1. We have audited the consolidated annual accounts of MAPFRE, S.A. (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2009, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes thereto for the year then ended, the preparation of which is the responsibility of the Parent Company's directors. Our responsibility is to express an opinion on the aforementioned consolidated annual accounts taken as a whole, based upon work performed in accordance with auditing standards generally accepted in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated annual accounts, and the evaluation of their presentation, of the accounting principles applied, and of the estimates made.
2. In accordance with Spanish mercantile law, for comparative purposes the Parent Company's directors have included for each of the headings presented in the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes thereto, in addition to the figures of 2009, those of the prior year. Our opinion refers only to the consolidated annual accounts for 2009. On February 5, 2009 we issued our audit report on the 2008 consolidated annual accounts, in which we expressed an unqualified opinion.
3. The Parent Company and some of its subsidiaries have performed significant transactions with other MAPFRE GROUP companies. Information about these transactions is given in the Note 6.26 to the accompanying consolidated annual accounts.
4. In our opinion, the accompanying 2009 consolidated annual accounts give a true and fair view, in all material respects of the consolidated equity and the consolidated financial position of MAPFRE, S.A. and its subsidiaries at December 31, 2009 and the consolidated results of its operations, changes in consolidated equity and consolidated cash flows for the year then ended and contain the required information necessary for their adequate interpretation and understanding, in conformity with the International Financial Reporting Standards adopted by the European Union which are consistent with those applied in the previous year.

5. The accompanying 2009 consolidated management report contains such explanations as the Parent Company's directors consider appropriate concerning the situation of MAPFRE, S.A. and its subsidiaries, the evolution of its business and other matters; however it is not an integral part of the consolidated annual accounts. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the consolidated annual accounts for the year ended December 31, 2009. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of the consolidated companies.

ERNST & YOUNG, S.L.

(signed in the original issued in spanish language)

Manuel Martínez Pedraza

February 4, 2010

8 Subsidiaries and other Business Interests



MAPFRE conducts its business activities through companies that are grouped in Operating Units and Companies, as displayed in the organizational chart included in this report.

The following pages contain summarized information about the activities performed in 2009 by the Units and Companies whose activity is particularly significant within the Group, presented and classified in two categories: those mainly engaged in the insurance or reinsurance business, and those engaged in other activities.

During 2009, a reorganisation of the COMMERCIAL INSURANCE OPERATING UNIT was carried out, dividing the business up into two different companies. MAPFRE GLOBAL RISKS will specialise in providing cover for international

insurance programmes to large multinationals, Aviation, Nuclear Risks and Energy, accepting risks in markets other than Spain, either on a freedom to operate basis, or acting as reinsurer for the Group's subsidiaries in other countries or for other insurance companies. MAPFRE SEGUROS DE EMPRESAS, will provide cover for the rest of the business risks in the Spanish market.

MAPFRE GLOBAL RISKS, and its subsidiaries MAPFRE CAUCIÓN Y CRÉDITO and ITSEMAP, now form part of the Group's International Direct Insurance Division.

The companies were formally spun off during 2009, with retroactive accounting effect from 1st January 2009, therefore the information is presented separately for these two entities

► INSURANCE AND REINSURANCE

- MAPFRE FAMILIAR
- MAPFRE VIDA
- MAPFRE EMPRESAS
- MAPFRE AMÉRICA
- MAPFRE INTERNACIONAL
- MAPFRE GLOBAL RISKS
- MAPFRE ASISTENCIA
- MAPFRE RE

► OTHER ACTIVITIES

- MAPFRE INMUEBLES
- MAPFRE QUAVITAE
- BANCO DE SERVICIOS FINANCIEROS
CAJA MADRID-MAPFRE



▶ MAPFRE FAMILIAR, S.A.
and its dependent companies



▶ Governing Bodies *

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Antonio Huertas Mejías	Chairman	
FIRST VICE-CHAIRMAN	Francisco Marco Orenes	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Francisco Ruiz Risueño	Second Vice-Chairman	Chairman
MEMBERS	Juan José Almagro García		
	Ignacio Baeza Gómez	Member	
	PACÍN, S.L. (represented by Alfonso Balduque Álvarez)		
	Rafael Beca Borrego		
	MEDIACIÓN Y DIAGNÓSTICOS, S.A. (represented by Pedro Bedia Pérez)		
	M ^a Jesús Fernández Antón		Member
	José Manuel Inchausti Pérez	Member	
	Andrés Jiménez Herradón		
	Antonio Núñez Tovar	Member	
	Agustín Rodríguez García		
	Matías Salvá Bennasar		Member
	VALORACIÓN Y CONTROL, S.L. (Fernando Sobrini Aburto)		
	Domingo Sugranyes Bickel		Member
	Esteban Tejera Montalvo	Member	
Francisco Vallejo Vallejo	Member	Member	
SECRETARY	Rafael Estévez Comas	Secretary	

* Composition of governing body on the date of preparation of this annual report.



The insurance classes in which MAPFRE FAMILIAR operates did not escape the economic recession, and were affected by the negative evolution of sectors that particularly suffered the reduction of activity such as car sales, construction and commerce. The fall in vehicle registrations was especially noticeable, with declines of over 40% compared to the previous year.

In this context, MAPFRE FAMILIAR ended the year with premiums totalling €4,072 million, representing a 3.4% decrease compared to the year 2008, net result of €431 million, and with a combined ratio of 90.7% of net earned premiums.

Main Activities

MAPFRE FAMILIAR' has continued focusing on the three major strategic objectives (profitability and growth, customer loyalty and innovation as key factors in customer orientation, and efficiency by taking advantage of synergies), without relinquishing the specialisation principle that has always been one of MAPFRE'S features. The following are among the most salient initiatives in each of the business sectors:

MOTOR

In a climate of strong competition, with important declines in rates and average premiums in the sector, MAPFRE FAMILIAR ended the year with 862,616 new policies, a portfolio of over 5.8 million insured vehicles, a technical result of €344 million, which was 7% lower than the previous year, and a combined ratio of 91.7% of net earned premiums, which was 2% higher than in 2008, but with a 1.4 percentage point improvement in the expense ratio compared to the year before.

During 2009, the implementation of Y-CAR continued—it is the first pay-per-use insurance in Spain, specifically focused on young drivers between 18 and 30 years of age; the bonus/malus system was restructured, with an increase in levels for good drivers and adjusting them for those covers affected; the Motor – Door to Door Service started up, providing customers with added value service when repairing their vehicle; and a second Automobile Service Centre was inaugurated in Alcorcón.

The goals set out in the field of Claims Management and Services were attained, mainly in connection with technical management ratios, quality in attending insured customers and employee training. It is worth highlighting the important effort in the control of the cost of claims and the renewal of the ISO 9001:200 Quality Certificate of AENOR for a new three-year period. During the year a total 4,948,294 claims were handled: 2,870,423 for Property Damages, of which 94% were resolved and 18,787 were rejected, saving €35 million; 382,433 for Bodily Injury Claims, of which 65% were settled, with 73,915 friendly settlements in order

to speed up indemnity payments; 293,801 for Legal Defence, of which 80% were resolved; and 1,401,637 for travel assistance.

PROPERTY

In spite of the unfavourable market environment, growth rates above those of the market were achieved, with a technical profit of €161 million (5% more than the previous year) and a combined ratio of 83.3% if net earned premiums, slightly higher than in 2008.

Among the activities carried out in 2009, it is worth highlighting the launch of the Hogar Esencial homeowner policy, which includes all the basic covers; the efforts to assist policyholders following the consequences of the storm KLAUS, the biggest catastrophe in the history of insurance in our country. This required 58,132 claims to be handled with a total valuation of €54.2 million. The total claims handled in the year amounted to 1,545,194 representing a 12.28% increase over 2008.

On the other hand, particular attention was paid to the improvement of the technical management of claims, permitting the containment of the average cost per claim, and improving the perception of quality among customers (personal assistance, reports on the status of the claim sent by SMS); the supplier loyalty policy has also continued, encouraged by regional conventions and other measures.



Antonio Huertas at the Annual Meeting of the MAPFRE Network



Y-CAR Policy for young drivers

HEALTH, ACCIDENT AND BURIAL

This segment witnessed an increase in premiums (by 4.9%) above the market average, especially the most profitable ones, allowing MAPFRE FAMILIAR to keep the top spot in Subsidy and Indemnity Insurance and in Refunds of Medical Expenses; the combined ratio of net earned premiums reached 95.2%, over 4 percentage points above the year before, generating an underwriting result of €89 million.

The Healthcare Assistance and Refund of Expenses insurance policies now cover osteopathy, aesthetic medicine (preferential rates) and special services for the elderly; sales of the Support Insurance (individual accidents) have begun; the Death insurance policy has been enhanced with the incorporation of new covers (dental, cryoconservation of umbilical cords, extraction/conservation of DNA of the deceased, and a second medical opinion); and further new applications are being implemented to facilitate the handling and sales of the products, extending phone assistance to collective insurance.

Enhancements have continued in the control and management capacities of healthcare providers, with an increase of the automatic billing of healthcare providers to 72.5% compared to 68.2% the year before; the implementation of electronic billing by clinics and hospitals has also continued, and it is now possible to submit indemnity claims via the Telephone Management Service.

The negative performance of the results of the collective insurance for MUFACE and ISFAS made it advisable not to renew the agreements with these two mutual

purchasing associations; it was also decided to gradually close the San Francisco Javier Hospital in Bilbao, given the difficulty to keep it running in a feasible manner in light of the private healthcare structure in the area.

CUSTOMER ASSISTANCE

C@C24, a customer assistance centre shared by MAPFRE FAMILIAR and MAPFRE EMPRESAS, handled over 18 million calls in 2009.

In addition to this, and as part of the customer loyalty strategy for MAPFRE FAMILIAR clients, during 2009 a number of initiatives were undertaken that allowed us to contact with over 2 million customers and offer them a wide range of value added services. These initiatives yielded positive results and were valued very positively by our customers, therefore these will be continued and strengthened in 2010.

INFORMATION AND TECHNOLOGY SYSTEMS

Throughout 2009 a number of initiatives were carried out to meet our strategic objectives. The most salient of these were the adaptation of applications in order to enable personal assistance per type of client; the definition of a new action strategy for the Internet; and the definition and gradual implementation of the new management reporting structure for directors, in order to facilitate global and crossover views of information on three major platforms: financial, sales and business.

Advances also continued in the implementation of TRON 21, the new integrated insurance management system, which in the future will provide us with a unified and comprehensive view of our clients.



MAPFRE, new Main Sponsor of the Spanish Royal Gymnastics Federation



Prize awarded by Medical Economics for the activities developed in health insurance

Subsidiaries and Associated Companies

Subsidiary companies contributed €163 million to MAPFRE FAMILIAR'S income statement. It is worth highlighting the acquisition of 51% of FINLOG, a company dedicated to the rental of vehicles, the sale of vehicles and the management of fleets of vehicles in Portugal; the MAPFRE RENTING business has been refocused to the management of fleets of vehicles, maintenance and insurance, and the intermediation of vehicle rental services via agreements with financial institutions; the activities of our own medical centres have been reoriented to outpatient management using small day clinics, moving away from hospital management; the expansion into funeral services continues, while home refurbishing and repair services are now being sold on the Internet. (www.agrada.es).

MAPFRE's road safety centre (CESVIMAP) ended 2009 with a highly satisfactory fulfillment of its objectives. Its activities include training courses for loss adjusters, and the preparation of method and time studies to be applied in the objective valuations of car bodywork repairs and paint jobs. Also, the Centre for the processing of scrapped vehicles, CESVI RECAMBIOS, decontaminated and recycled over 2,300 vehicles. CESVIMAP achieved revenues of €11 million during the year, securing a profit.



Participation at the Sorolla Insurance Forum



Prize awarded by "Mi Cartera de Inversión" to MAPFRE for its modular health insurance product



MAPFRE FAMILIAR recognised at ICEA'S 15th Fraud Detection Competition



Presentation of eBike10, an insurance for motorbikes which is linked to an electronic safety device

Prospects

The future strategy of MAPFRE FAMILIAR will continue to be based on three pillars: Profitability, Customer Loyalty, Innovation and Efficiency. The initiatives implemented in 2009 will be consolidated in 2010, and new actions will be carried out in the knowledge of and relationships with customers through multiple channels and in an efficient manner in order to attain the ultimate goal of boosting profitability:

- Increase in the market share in motor and property insurance, with more intensive action plans aiming at an increase of customer loyalty.
- Improvement of internal efficiency via the homogenisation and unifications of processes (moving towards single transaction and reporting systems), and a rise in the control and reporting of expenses.
- Optimization of the structure of productive assets.
- Development of the organisational structure.



Visit by the MAPFRE ASPAR TEAM at the headquarters of MAPFRE FAMILIAR

MAPFRE FAMILIAR

INCOME STATEMENT IFRS	2009	2008	Var. % 09/08
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	4,071.9	4,215.9	(3.4%)
Gross earned premiums	4,155.7	4,199.0	(1.0%)
Claims (includes claims related expenses)	(3,047.4)	(2,948.4)	3.4%
Operatin expenses and lther technical expenses	(723.9)	(741.3)	(2.3%)
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	384.4	509.3	(24.5%)
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(78.2)	(87.9)	(11.0%)
Claims paid and variation in provision for claims	49.3	50.5	(2.4%)
Comissions and participation in reinsurance	19.0	20.7	(8.2%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(9.9)	(16.7)	(40.7%)
Other technical revenues and expenses	0.7	(33.4)	(102.1%)
LIFE AND NON-LIFE TECHNICAL RESULT	375.2	459.2	(18.3%)
Net income from investments	230.9	223.9	3.1%
Unrealised gains and losses on investments			
Other non-technical revenues and expenses	2.2	0.3	633.3%
Result of minority interests	(3.2)	(4.3)	(25.6%)
LIFE AND NON-LIFE RESULT	605.1	679.1	(10.9%)
OTHER ACTIVITIES			
Operating revenues	163.5	124.2	31.6%
Operating expenses	(178.5)	(126.7)	40.9%
Net income from investments and other income	(1.3)	(0.9)	44.4%
Result of minority interests	0.1	0.3	(66.7%)
RESULT OF OTHER ACTIVITIES	(16.2)	(3.1)	422.6%
RESULT BEFORE TAX AND MINORITIES	588.9	676.0	(12.9%)
Tax on profits	(156.8)	(171.9)	(8.8%)
Result after tax from ongoing operations			
RESULT AFTER TAX	432.1	504.1	(14.3%)
Attributable to minority shareholders	(1.3)	(0.2)	550.0%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	430.8	503.9	(14.5%)

MILLION EUROS

NON-LIFE RATIOS	2009	2008
Claims ratio of direct insurance	73,4%	70,5%
Expense ratio of direct insurance	17,3%	18,3%
Combined ratio, net of reinsurance	90,7%	88,8%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2009	2008	Var. % 09/08
Homowner	542.4	517.8	4.8%
Burial	248.7	239.4	3.9%
Motor	2,348.5	2,535.3	(7.4%)
Condominium	148.7	146.5	1.5%
Shop premises	122.7	133.4	(8.0%)
Accident	99.5	115.6	(13.9%)
Pecuniary losses	8.7	20.5	(57.6%)
Other	552.7	507.4	8.9%
TOTAL	4,071.9	4,215.9	(3.4%)

MILLION EUROS

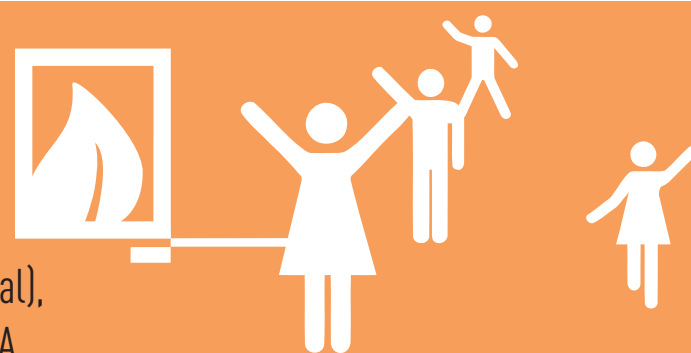
BALANCE SHEET KEY FIGURES (IFRS)	2009	2008	Var. % 09/08
Investments and cash	3,732.5	4,109.8	(9.2%)
Total assets	6,042.6	6,334.6	(4.6%)
Shareholders equity	1,375.9	1,326.9	3.7%
ROE	32.4%	37.2%	(12.9%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2009	2008	Var. % 09/08
Technical reserves requiring coverage	3,437.6	3,545.5	(3.0%)
Excess of eligible assets over reserves	1,114.5	1,149.0	(3.0%)
Minimum solvency margin	656.1	768.9	(14.7%)
Solvency margin	1,693.2	1,822.5	(7.1%)

MILLION EUROS

OTHER INFORMATION	2009	2008	Var. % 09/08
Employees	8,377	8,293	1.0%
Policies in force at year end (thousands)	10,350	10,870	(4.8%)
Motor claims handled during the year (thousands)	4,948	5,251	(5.8%)
Homeowners claims handled during the year (thousands)	1,545	1,349	14.5%



- MAPFRE VIDA S.A. and its dependent companies (excluding the branch in Portugal), CCM VIDA Y PENSIONES S.A., UNIÓN DUERO VIDA S.A. and DUERO PENSIONES S.A.

► **Governing Bodies ***

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Ignacio Baeza Gómez	Chairman	
FIRST VICE-CHAIRMAN	Esteban Tejera Montalvo	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Luís Hernando de Larramendi y Martínez	Second Vice-Chairman	Chairman
MEMBERS	Miguel Ángel Almazán Manzano	Member	
	José Barbosa Hernández		
	Juan Fernández Palacios	Member	
	Rafael Fontoira Suris		Member
	Santiago Gayarre Bermejo		
	Rafael Galárraga Solares		
	Lucas Hernández Pérez		
	Francisco Hernanz Manzano		
	Antonio Huertas Mejías	Member	
	Manuel Jesús Lagares Calvo	Member	Member
	Francisca Martín Tabernero		Member
	Antonio Miguel-Romero de Olano		
	Filomeno Mira Candel		
	Fernando Moreno Marcos		
	Matías Amat Roca ⁽¹⁾		
Francisco Ruiz Risueño	Member	Member	
SECRETARY AND NON-MEMBER	Luis María Polo Rodríguez	Secretary	
	M ^a Luisa Linares Palacios		Secretary

(1) In representation of PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.A.

* Composition of governing body on the date of preparation of this annual report.

In 2009, MAPFRE's Life and Savings Unit had a very positive performance, both in Life assurance, where its market share grew to 10.7% and ranks second by volume of technical reserves, and also in managed mutual and pension funds, which again outperformed the sector in growth terms.

Throughout 2009, the negative consequences of the finance crisis were seen to be hitting the real economy, slightly attenuated towards the end of the year in the World's leading economies. Interest rates remained volatile and kept falling both in Europe and the USA, while share prices on the main stock markets rose significantly, the Ibex-35 having gained 29.8% in one year. In this economic and financial context, the Life Assurance sector has confirmed its strength as a financial manager of savings:

- The volume of savings under management in the life assurance business, represented by technical reserves, rose 5.6%, to €143,796 million, with a 5.8% rise in premiums.
- The volume of assets under management in mutual funds and money market funds totalled €162,567 million, implying a year-on-year decline of €5,077 million.
- The volume of pension fund assets under management increased 8.1% to €84,789 million.

In 2009, MAPFRE's Life and Savings Unit had a very positive performance, both in Life assurance, where its market share grew to 10.7% and ranks second by volume of technical reserves, and also in managed mutual and pension funds, which again outperformed the sector in growth terms.

Main Activities

NEW PRODUCTS

As in previous years, throughout 2009 MAPFRE VIDA was intensely innovating and launching new products for the Agency Network: PromoVida protection insurance, aimed at MAPFRE customers, with simplified underwriting rules and at a very competitive price; inclusion of serious dependency and severe dependency warranties in the Todo Vida Dependencia insurance policy; two savings products with a guaranteed minimum return (Garantía Súper 3 and Garantía 4); and three guaranteed mutual funds (FondMapfre Garantizado 904, 907 and 911).

MAPFRE also devoted significant efforts to new products for the bancassurance network: in savings insurance, emphasis was placed on income-type benefits, albeit maintaining their use in non-retirement situations (Seguro Elección Vida at CAJA MADRID), and the products' design has been tailored to the current financial crisis (Seguroplus at BANKINTER, and Unit Linked in CAJA MADRID); the range of protection insurance policies has been broadened which emphasize the simplification of the underwriting processes, and are adapted to customer's different levels of income (TAR Express at BANKINTER and Doble Tranquilidad at CAJA CASTILLA-LA MANCHA).

SALES INITIATIVES

In 2009, priority was given to the sale of products with the largest profit margins, boosting the sale of protection insurance policies; and major savings insurance and life annuity product campaigns were conducted that raised the volume of premiums to €2,567.5 million, an increase of 2.7% versus the previous year, and a volume of technical reserves of €15,956 million, a 0.2% rise.

In mutual funds, the sales strategy was geared towards promoting guaranteed funds and offering fixed income and mixed funds. This approach boosted new inflows and reduced outflows, with the volume of funds under management totalling €2,199.5 million, 10.4% higher than the previous year.

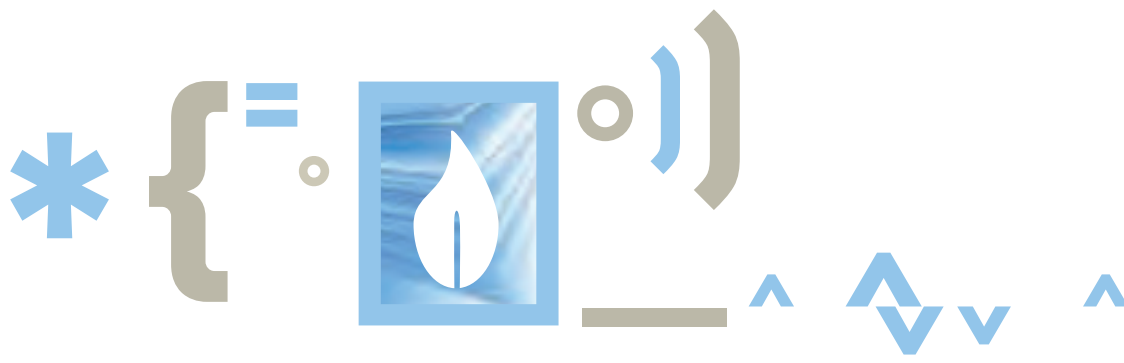
In pension funds, MAPFRE reinforced the sale of external fund transfers which, combined with the participants' new contributions, resulted in funds under management rising to €3,781.4 million, a 10.7% rise.

TECHNICAL MANAGEMENT

Efforts in this field of activity focused on the technical development and implementation of the broad range of new products launched in 2009, on continuing with the integration of the new subsidiary companies, and on giving fresh impetus to the technological revamping processes underway.



Ignacio Baeza at the 12th Annual Conference organised by the Reinsurance Group of America



Ignacio Baeza took part in the 2009 Insurance Week Conference



MAPFRE VIDA at the 5th Commercial Strategies Convention

INFORMATION AND TECHNOLOGY SYSTEMS

2009 marked the start of the “Plan Evolucionaria” to revamp the technology platform that underpins the business’ management. The plan, set to run until 2013, will provide a single cutting-edge platform that falls in line with MAPFRE’s technology, capable of managing the whole Life business, while the “non-core” operations will be integrated in the Group’s corporate solutions.

The company completed the developments necessary to operate and launch the new products, and new functionalities were built into the Agencies Network’s front-office platform, extending the use of this tool to all network’s members. Developments were also made to support the management of the MAPFRE-CAJA MADRID VIDA business.

Subsidiaries and Associated Companies

MAPFRE INVERSIÓN and its subsidiaries contributed significantly to the Unit’s excellent figures, with a volume of funds under management at the end of 2009 of €4,321 million and pre-tax result of €43.9 million.

Premiums written by the bancassurance companies totalled €1,202 million, accounting for 46.8% of the Unit’s total volume. Their total funds under management in insurance products and pension funds totalled €8,669.4 million, contributing €45.5 million to the Unit’s net result.

Prospects

Despite being slightly optimistic for most of the World’s economies, the prospects for 2010 remain bleak for the Spanish economy, which will have to keep on making adjustments. The strategy in the insurance business will therefore be based again on boosting sales of protection insurance policies, and of dedicated savings products; priority will also be given to offering various types of unit-linked insurance products, especially structured products with innovative profitability formulas.

The Technology Area will gear its efforts towards achieving the goals laid down in the “Plan Evolucionaria”, and towards designing the operation and launch of new products on the market.



Presentation of the report “Life assurance in Spain”

MAPFRE VIDA

INCOME STATEMENT IFRS	2009	2008	Var. % 09/08
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	2,567.5	2,499.7	2.7%
Gross earned premiums	2,559.4	2,495.1	2.6%
Claims (includes claims related expenses)	(3,033.7)	(2,970.5)	2.1%
Operating expenses and other technical expenses	(72.3)	(194.8)	(62.9%)
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	(546.7)	(670.2)	(18.4%)
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(72.7)	(69.0)	5.3%
Claims paid and variation in provision for claims	43.7	41.2	6.1%
Comissions and participation in reinsurance	17.6	21.9	(19.4%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(11.4)	(6.0)	90.1%
Other technical revenues and expenses	(8.3)	(10.4)	(20.2%)
LIFE AND NON-LIFE TECHNICAL RESULT	(566.3)	(686.5)	(17.5%)
Net income from investments	723.0	900.9	(19.7%)
Unrealised gains and losses on investments	24.9	(38.0)	(165.4%)
Other non-technical revenues and expenses	4.0	8.2	(51.8%)
Result of minority interests	0.0	0.0	-
LIFE AND NON-LIFE RESULT	185.5	184.5	0.5%
OTHER ACTIVITIES			
Operating revenues	95.0	106.3	(10.6%)
Operating expenses	(51.7)	(54.7)	(5.4%)
Net income from investments and other income	8.3	11.4	(27.5%)
Result of minority interests	0.3	0.2	83.3%
RESULT OF OTHER ACTIVITIES	51.9	63.2	(17.9%)
RESULT BEFORE TAX AND MINORITIES	237.4	247.7	(4.2%)
Tax on profits	(69.5)	(66.7)	4.2%
Result after tax from ongoing operations	0.0	0.0	-
RESULT AFTER TAX	167.9	181.0	(7.2%)
Attributable to minority shareholders	(42.8)	(32.2)	0.3
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	125.2	148.8	(15.9%)

MILLION EUROS

EXPENSE RATIOS	2009	2008
Net operating expenses / average third party funds under management	1.2%	0.9%

GROSS WRITTEN AND ACCEPTD PREMIUMS	2009	2008	Var. % 09/08
Premiums issued by Agents' network	1,080.0	1,050.9	2.8%
Premiums issued by Bank channel	1,202.0	1,218.5	(1.4%)
Prmiums issued centrally	285.5	230.3	24.0%
TOTAL	2,567.5	2,499.7	2.7%

MILLION EUROS

KEY FIGURES (IFRS)	2009	2008	Var. % 09/08
Funds under management (third party)	22,423.4	21,995.3	1.9%
Investments and cash	16,906.3	17,050.6	(0.8%)
Total assets	17,879.4	17,990.4	(0.6%)
Equity	1,148.5	956.0	20.1%
ROE	14.6%	16.9%	(18.5%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2009	2008	Var. % 09/08
Technical reserves requiring coverage	15,305.8	15,458.1	(1.0%)
Excess of eligible assets over reserves	1,381.1	1,255.1	10.0%
Minimum solvency margin	664.7	692.3	(4.0%)
Solvency margin	1,230.9	1,144.0	7.6%

MILLION EUROS

OTHER INFORMATION	2009	2008	Var. % 09/08
Employees	766	789	(2.9%)
Policies in force at year end (thousands)	2,063	2,130	(3.1%)
Persons assured at year end (thousands)	3,267	3,357	(2.7%)

Note: Figures for 2008 include BANKINTER VIDA, CCM VIDA Y PENSIONES, UNIÓN DUERO VIDA and DUERO PENSIONES, the latter two consolidated from 01.07.2008

► MAPFRE EMPRESAS, S.A.
and its dependent companies



► Governing Bodies *

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Esteban Pedrayes Larrauri	Chairman	
FIRST VICE-CHAIRMAN	Ricardo Blanco Martínez	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Francisco Vallejo Vallejo	Second Vice-Chairman	Chairman
MEMBERS	Ángel Alonso Batres		
	Alfredo Castelo Marín		
	Rafael Galarraga Solores		
	Santiago Gayarre Bermejo		
	Juan Martín Queralt	Member	
	Ignacio Miguel-Romero de Olano	Member	Member
	Tomás Pérez Ruiz		
	Eduardo Rodríguez Piedrabuena		Member
	MEDIACIÓN Y DIAGNÓSTICOS, S.A. (represented by Guillermo Marcos Guerrero)		
	PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L. (represented by Mercedes Rojo Izquierdo)		
VALORACIÓN Y CONTROL, S.L. (represented by Ignacio Soria Vidal)			
SECRETARY	Francisco Javier Bergamín Serrano	Secretary	

* Composition of governing body on the date of preparation of this annual report.

Despite this, its solid position in the market means that MAPFRE EMPRESAS is prudently optimistic about the next few years, when it expects to obtain increases higher than the sector as a whole.

2009 saw a further decline in industrial risk premium rates, prolonging and harshening the "soft" market cycle for another year, due to the competition triggered by the low claimS experience and the good results of the last few years, as well as by the current economic crisis.

Meanwhile, the volume of insured risks on the market is declining as businesses close down, thereby stiffening competition. In addition, the construction sector, which accounts for a very significant amount of the Company's business, has been hit hard by the crisis.

Despite this, MAPFRE EMPRESAS ended another year with favourable results, due to the good technical criteria in underwriting and moderate claim experience levels. The objectives laid out in the Unit's Strategic Plan have been met satisfactorily, with nearly all the business lines having achieved the required profit levels.



MAPFRE and ASAJA organised an international seminar on agricultural insurance

Main Activities

NEW PRODUCTS

During 2009, the Company continued developing new products and tailoring existing ones to the various marketing channels.

SALES INITIATIVES

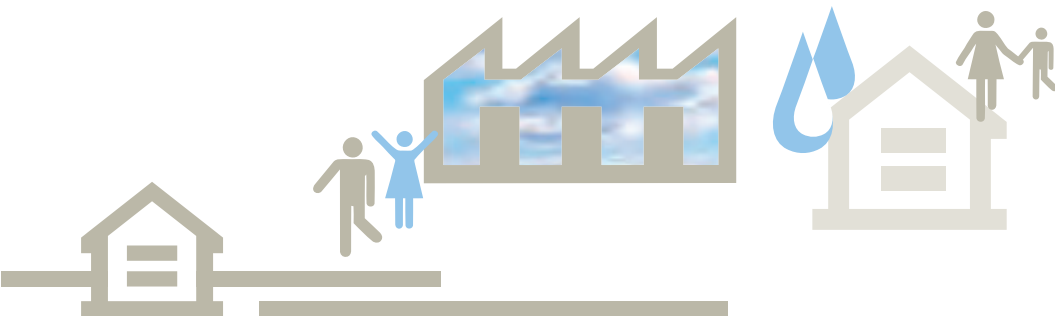
The following courses of action were carried out in 2009 to ensure that the Unit's business performed suitably: consolidation of the Corporate Business Management Centres; development of new lines of business with CAJA MADRID, such as the insurance policy tied to Savings Bank's leasing product; offering of an insurance solution for car repair shops, accompanied by a suite of management and prevention services suitable for this type of risks; the Unit has forged stronger ties with CAJA MADRID's corporate branches, in order to win more business and achieve greater penetration of insurance policies with the customers of these branches; and presence with its own stands at a variety of specialised trade fairs, and sponsorship of different prestigious events.

TECHNICAL MANAGEMENT AND CUSTOMER SERVICES

On the technical management and customer services front, further efforts have been devoted to implementing technical activities for customers through the services company ITSEMAP and MAPFRE SERVICIOS DE PREVENCIÓN, contributing added value to the range of insurance products and as a means of backing the plans to develop specific business sectors. The technical structure has been further concentrated at the Regional Management Centres, which support the sales organization in the tasks of underwriting, issuing and processing claims, enabling us to decentralize decision-making so as to improve efficiency and provide a more customer-oriented service.

INFORMATION AND TECHNOLOGY SYSTEMS

During 2009, the Information Systems area was kept busy implementing the Lapses and Cancellations programme; developing tools for speeding up production processes, in particular tariff calculators, and for analysing claims experience; and evolving business intelligence solutions for tracking and supervising the business.



Subsidiaries and other Business Interests

MAPFRE SERVICIOS DE PERITACIÓN (SERMAP) has fared very well, consolidating its services portfolio and making a favourable contribution to the Unit; MAPFRE SERVICIOS DE PREVENCIÓN is consolidating its position in the market as Spain's second-largest private operator.

Prospects

In 2010, the performance of the business is likely to be conditioned by the following factors:

- reduction in the volume of premiums due to the economic slowdown, which will continue throughout the year and lead to less business activity, low levels of construction and less demand for capital goods.
- continuing soft market in the industrial risks segment, stiff competition and falling prices in business insurance.
- tendency for claims experience to worsen due to the fall in premium volumes.

Despite this, its solid position in the market means that MAPFRE EMPRESAS is prudently optimistic about the next few years, when it expects to obtain increases higher than the sector as a whole, with a steadily increasing market share, a larger retention of its business, and boost efficiency levels by lowering management expense ratios. This together with a stable claims experience stays at prudent levels, should lead to improving results.



Esteban Pedrayes at the seminar entitled "Risk Management Culture in Small and Medium Enterprises"

MAPFRE EMPRESAS

INCOME STATEMENT IFRS	2009	2008 ⁽¹⁾	Var. % 09/08
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	666.4	836.1	(20.3%)
Gross earned premiums	724.5	793.3	(8.7%)
Claims (includes claims related expenses)	(436.6)	(458.1)	(4.7%)
Operating expenses and other technical expenses	(181.6)	(157.9)	15.0%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	106.3	177.3	(40.0%)
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(185.7)	(199.4)	(6.9%)
Claims paid and variation in provision for claims	78.2	91.9	(14.9%)
Comissions and participation in reinsurance	50.2	48.2	4.1%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(57.3)	(59.3)	(3.4%)
Other technical revenues and expenses	(14.9)	(16.1)	(7.5%)
LIFE AND NON-LIFE TECHNICAL RESULT	34.2	101.9	(66.4%)
Net income from investments	56.5	48.2	17.2%
Unrealised gains and losses on investments	0.0	0.0	-
Other non-technical revenues and expenses	1.4	(1.6)	-
Result of minority interests	0.0	0.2	-
LIFE AND NON-LIFE RESULT	92.2	148.7	(38.0%)
OTHER ACTIVITIES			
Operating revenues	16.1	21.3	(24.4%)
Operating expenses	(22.0)	(24.9)	(11.6%)
Net income from investments and other income	0.2	(0.2)	-
Result of minority interests	0.0	0.0	-
RESULT OF OTHER ACTIVITIES	(5.7)	(3.8)	-
RESULT BEFORE TAX AND MINORITIES	86.5	145.0	(40.3%)
Tax on profits	(27.2)	(41.9)	(35.1%)
Result after tax from ongoing operations	0.0	0.0	-
RESULT AFTER TAX	59.3	103.1	(42.5%)
Attributable to minority shareholders	0.0	(0.1)	-
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	59.3	102.9	(42.4%)

MILLON EUROS

NON-LIFE RATIOS	2009	2008 ⁽¹⁾
Combined ratio, net of reinsurance	93.7%	82.8%

NON-LIFE RATIOS	2009	2008 ⁽¹⁾	Var. % 09/08
Combined ratio, net of reinsurance	93.7%	82.8%	(9.9%)
Fire - Property damage	162.2	191.5	(15.3%)
Third party liability	244.4	321.6	(24.0%)
Engineering	76.4	113.8	(32.9%)
Transport	59.1	71.2	(17.0%)
TOTAL	666.4	836.1	(20.3%)

MILLION EUROS

OTHER INFORMATION	2009	2008 ⁽¹⁾	Var. % 09/08
Employees	928	1,070	(13.3%)
Claims handled during the year	173,193	159,178	8.8%
Speed of settlement of claims	71.3%	68.9%	3.5%
Contribution of Agricultural insurance to co-insurance(€ million)	147.5	150.8	(2.2%)

(1) Data for 2008 is purely for comparison purposes



▶ MAPFRE AMÉRICA, S. A.
and its dependent companies

▶ Governing Bodies *

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Andrés Jiménez Herradón	Chairman	
FIRST VICE-CHAIRMAN AND CHIEF EXECUTIVE OFFICER	Rafael Casas Gutiérrez	First Vice-Chairman	
SECOND VICE-CHAIRMAN	Rafael Beca Borrego	Second Vice-Chairman	Chairman
MEMBERS	Ángel Alonso Batres		
	José M ^a Arteta Vico ⁽¹⁾		
	Francisco Bravo García		
	Antonio Eraso Campuzano		Members
	José M ^a García Alonso		Members
	Luis M ^a González Llano		
	Sebastián Homet Duprá		
	Rafael Márquez Osorio		
	Antonio Núñez Tovar	Members	
	Mariano Pérez Claver ⁽²⁾		
	Alfonso Rebuelta Badías	Members	Members
	Esteban Tejera Montalvo		
	Francesco Vanni D'Archirafi		
SECRETARY	Claudio Ramos Rodríguez	Secretary	

* Composition of governing body on the date of preparation of this annual report.

(1) In representation of Mediación y Diagnósticos, S.A.

(2) In representation of Corporación Financiera Caja de Madrid, S.A.

For 2010, an economic recovery is considered possible in Latin America, albeit slow and differing from one country to another.

Despite the economic crisis, MAPFRE AMÉRICA and its subsidiaries have performed very satisfactorily, thereby allowing the Group to increase its level of penetration of the Latin American insurance market. For the fourth consecutive year, it has been ranked as the region's leading Non-Life insurance multinational insurance company by total volume of premiums, with a 6.9% market share.

The Unit's consolidated gross written premiums totalled €4,305.4 million in 2009, up 19.3% versus 2008, mainly due to the excellent levels of growth reported by the subsidiaries in Venezuela (77%), Uruguay (39%), Peru (34%), Colombia (26%), and Brazil (16%).

Consolidated results before taxes totalled €212.5 million, an 18% increase on the previous year, while the result after tax and minorities amounted to €113.4 million, a similar figure to the one obtained in the previous year.

These figures are a direct result of the strength of MAPFRE's branches and agents' network in Latin America; of the solvency, specialization and development of the distribution channels, the diversity of products, the ongoing improvement of the technical management; and the high quality of customer care that policyholders receive.

Main Activities

NEW PRODUCTS

2009 was marked by a strong drive to offer customers a wide range of new products, covers and services, of which the following are most noteworthy:

— Launch of new health insurance policies (in Argentina, El Salvador, Uruguay and Puerto Rico); Property and Casualty insurance for consumers, especially in the Household, Individual Life, Burial and Personal Accidents lines; and for agricultural and livestock risks (in Colombia, Peru, Argentina and Chile): In

Colombia, an agreement has been reached with the Banco Agrario to distribute these products through its network of more than 700 branch offices, and in Peru an agreement has been signed with the Government to develop a catastrophic agricultural insurance scheme.

- Consolidation and extension of the cooperation agreement with MAPFRE GLOBAL RISKS for the coverage of global corporate risks.
- New types of cover and services in Motor insurance policies to win and retain customers with growth potential (motorcycles, high-end vehicles, taxis, lorries, fleets,...).
- Development of CLUB MAPFRE as a customer loyalty-building tool through services and benefits schemes, which is already operating in Colombia, Venezuela, Argentina and Brazil, and is being developed in El Salvador, Paraguay, Puerto Rico, Uruguay and Mexico.

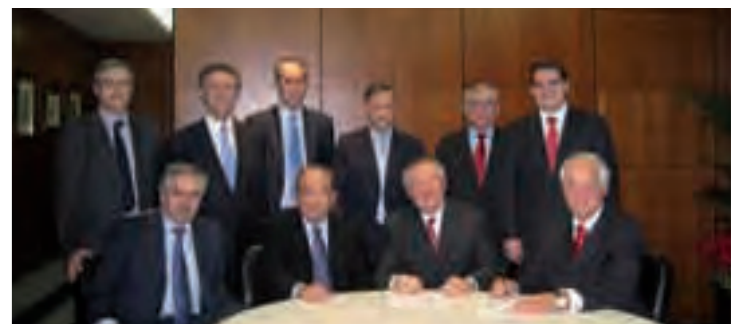
SALES INITIATIVES

The main actions taken in 2009 relate to the implementation of business management measurement and sales tracking procedures; the inclusion of new distribution channels, with affinity agreements, in particular the deals signed with the HSBC and BBVA groups for the distribution of products through their branch networks; the development in some countries of works for projects oriented directly at the customer (loyalty schemes, benefit assessment and granting techniques; service quality plans; transforming of "call centers" into "contact centers", etc.); and the launch, for the second year running, of an institutional advertising campaigns via cable TV channels, in all the countries where such channels exist.

Worth noting is the larger relative weight of the Agencies Network, which has increased its premiums by 30%, followed by the bancassurance channel, by 18%.



Memorandum with Banco do Brasil



Agreement with Grupo Mondial

TECHNICAL MANAGEMENT AND CUSTOMER SERVICES

The main courses of action undertaken in 2009 in this area include the implementation of a new retail risk rating system using the Premium IT application in Argentina, Colombia, Mexico and Venezuela; the enlargement of the supplier networks and improvement of the roadside assistance services in Brazil; the implementation, together with MAPFRE RE, of new reinsurance solutions, also in Brazil; the opening of new car service centres in the same country, and the extension of the range of customer care services offered to policyholders, both at these centres and via the SI-24 call centers; the opening of MAPFRE Car Workshops in Venezuela and Argentina, and progress with the projects for Puerto Rico and Uruguay; improvements to the automatic portfolio renewal processes, through the optimisation of operational-administrative management procedures and the development of customer and agent loyalty-building software; and the automation of car loss adjuster management in Mexico and Puerto Rico, significantly cutting the time taken to provide the service to customers.

INFORMATION AND TECHNOLOGY SYSTEMS

The main actions taken in the business solution, infrastructure and process fields were as follows:

— As regards business solutions, work continued on the implementation and development of new functionalities of the IT corporate information system, TRONADOR; and specific solutions have been implemented for managing global customers in Venezuela, and for strategic marketing (NEXT) in Argentina.

— In infrastructures, progress was made in bringing into play the corporate technology outsourcing agreement with Telefónica for the management of the subsidiaries' Data Processing Centres (DPCs), centralizing operations at the Miami and São Paulo DPCs; and further efforts went into implementing information security plans in all the Companies, increasing the measures

regarding contingencies and business continuity, and physical security of facilities.

— In terms of processes, training courses were completed in all companies, on process plotting techniques and how to use the ARIS modelling tool; all companies installed the BPM technology-based update for technical controls authorisations, while appropriate user-coaching was given; and the new corporate process design metamodel has been defined in liaison with the Group's Technologies and Procedures Division.

Prospects

For 2010, an economic recovery is considered possible in Latin America, albeit slow and differing from one country to another. MAPFRE AMERICA's budgets for the year envisage moderate growth in revenues, with all the subsidiaries making and a positive contribution to net result; and to further develop alternative distribution channels, to implement IT solutions and management systems designed to improve the quality of service provided to policyholders, their loyalty, operating efficiency, and obtaining a recurrent and stable result.



MAPFRE AMERICA took participated in a seminar held at UNESPA about the brazilian insurance sector



Ser Humano – Oswaldo Checchia Prize awarded to MAPFRE BRAZIL for its human resources management



MAPFRE AMÉRICA

INCOME STATEMENT IFRS	2009	2008	Var. % 09/08
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	4,305.4	3,607.9	19.3%
Gross earned premiums	4,033.4	3,317.7	21.6%
Claims (includes claims related expenses)	(2,549.6)	(2,273.0)	12.2%
Operating expenses and other technical expenses	(1,187.3)	(1,030.1)	15.3%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	296.4	14.6	1932.0%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(706.9)	(588.7)	20.1%
Claims paid and variation in provision for claims	293.1	464.5	(36.9%)
Comissions and participation in reinsurance	90.5	62.3	45.4%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(323.3)	(62.0)	421.8%
Other technical revenues and expenses	(34.7)	(17.2)	102.0%
LIFE AND NON-LIFE TECHNICAL RESULT	(61.6)	(64.6)	(4.6%)
Net income from investments	263.2	247.2	6.5%
Unrealised gains and losses on investments	-	-	-
Other non-technical revenues and expenses	10.9	(2.5)	(537.8%)
Result of minority interests	-	-	-
LIFE AND NON-LIFE RESULT	212.5	180.1	18.0%
RESULT OF OTHER ACTIVITIES			
RESULT BEFORE TAX AND MINORITIES	212.5	180.1	18.0%
Tax on profits	(73.8)	(45.5)	62.2%
Result after tax from ongoing operations	-	-	-
RESULT AFTER TAX	138.7	134.6	3.0%
Attributable to minority shareholders	(25.3)	(21.1)	19.9%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	113.4	113.5	-

MILLION EUROS

NON-LIFE RATIOS	2009	2008
Claims ratio of direct insurance	70.7	67.6
Expense ratio of direct insurance	33.2	36.1
Combined ratio, net of reinsurance	103.9	103.7

GROSS WRITTEN AND ACCEPTED PREMIUMS	2009	2008	Var. % 09/08
BRAZIL	1,644.5	1,419.3	15.9%
MEXICO	379.7	392.3	(3.2%)
PUERTO RICO	287.1	318.0	(9.7%)
VENEZUELA	855.4	483.9	76.8%
ARGENTINA	402.1	378.9	6.1%
CHILE	138.0	148.4	(7.0%)
COLOMBIA	251.8	199.9	26.0%
PERU	144.5	107.5	34.5%
EL SALVADOR	38.5	34.2	12.7%
PARAGUAY	29.9	28.0	6.8%
URUGUAY	35.4	25.5	38.6%
DOMINICAN REPUBLIC	72.6	63.4	14.5%
ECUADOR	25.9	8.8	195.6%
TOTAL	4,305.4	3,607.9	19.3%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2009	2008	Var. % 09/08
Investments and cash	3,447.2	2,587.7	33.2%
Total assets	6,449.4	4,805.5	34.2%
Shareholders equity	1,465.3	1,122.1	30.6%
ROE	9.2%	10.2%	(9.6%)

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2009	2008	Var. % 09/08
Technical reserves requiring coverage	3,257.5	2,566.0	26.9%
Excess of eligible assets over reserves	489.2	415.0	17.9%
Minimum solvency margin (consolidated)	662.6	1,023.0	(35.2%)
Solvency margin	997.7	1,112.0	(10.3%)

MILLION EUROS

OTHER INFORMATION	2009	2008	Var. % 09/08
Employees	10,479	10,206	2.7%

► MAPFRE INTERNACIONAL, S.A., and its dependent companies, including MAPFRE VIDA's branch in Portugal



► Governing Bodies *

BOARD OF DIRECTORS		Compliance Committee
CHAIRMAN	Andrés Jiménez Herradón	
FIRST VICE-CHAIRMAN	Gregorio Robles Morchón	Chairman
CHIEF EXECUTIVE OFFICER	Javier Fernández-Cid Plañiol	
MEMBERS	Ignacio Baeza Gómez	
	Ricardo Blanco Martínez	
	Victor Bultó Millet	
	Rafael Casas Gutiérrez	
	Antonio Eraso Campuzano	
	José Manuel Fernández Norriella ⁽¹⁾	
	Luis Hernando de Larramendi Martínez	Member
	Antonio Huertas Mejías	
	Carlos M ^a Martínez Martínez ⁽²⁾	
	Filomeno Mira Candel	
	Alfonso Reuelta Badías	Member
	Domingo Sugranyes Bickel	
Esteban Tejera Montalvo		
SECRETARY AND MEMBER	Claudio Ramos Rodríguez	

* Composition of governing body on the date of preparation of this annual report.

(1) In representation of Valoración y Control, S.L.

(2) In representation of Mediación y Diagnósticos, S.A.

In 2009 the management team was enhanced, boosting the use of proprietary tools and processes aiming to establish the necessary reporting routes and the periodic monitoring of the management of subsidiaries.

MAPFRE INTERNACIONAL's business has developed in a difficult economic situation, given the prevailing recession in the markets in which its subsidiaries operate.

In keeping with the goals set in its strategic plan, the Company has sought to strengthen the management of its subsidiaries, particularly focusing on the latest incorporations (in Turkey and the USA), and on acquisition opportunities or agreements with other operators in strategic markets (countries where MAPFRE is already present, the Mediterranean area of the EU, and Eastern Europe).

The volume of premiums during the year (€1,640.9 million) represents a 46.6% increase over 2008, and the consolidated result before taxes and minority interests (€160.3 million) grew by 60.7% over the previous year. These figures, which for the first time include a full year of THE COMMERCE GROUP (compared to seven months in the previous year) and all of the direct business in Portugal, were attained in spite of a number of negative factors such as the very unfavourable development of the USD/EUR exchange rate; the liberalisation of Automobile Civil Liability insurance in the State of Massachusetts, which continues to exert pressure on competition, with higher than expected reductions in the average price of insurance policies; and an economic environment of recession, with intensive competition in terms of premiums across the various markets.

Main Activities

In 2009 the management team was enhanced, boosting the use of proprietary tools and processes aiming to establish the necessary reporting routes and the periodic monitoring of the management of subsidiaries.

Efforts have likewise focused on the development of software programs to be applied at the new subsidiaries, and on the use of management products and processes in response to the operating needs that are detected.

On the other hand, investment opportunities continue to be analysed, although they have not materialised because strategically they do not match the search criteria, or because the price expectations were not considered justified.

Subsidiaries and Associated Companies

— THE COMMERCE GROUP INC. (USA) has kept its leadership position in 2009 in the Motor and Homeowner insurance segments in Massachusetts, with market shares of 31% and 9%, respectively. Premiums totalled €1,263.8 million, and the result before taxes amounted to €129.2 million. The combined ratio was at 97.8% (compared to 96.6% in 2008), a very satisfactory level considering the liberalisation

of Motor insurance rates and the exceptionally high number of Homeowner insurance claims due to adverse weather conditions at the beginning of the year.

The work carried out in order to integrate THE COMMERCE GROUP INC into the Group continue according to plan, with actions in the Accounting Reporting and Management, Investments, Technology, Audit, Internal Control, and Human Resources areas. There was a successful integration into COMMERCE of the MAPFRE FLORIDA subsidiary, and claims handling has been centralized in two centres; this reorganisation is part of the plan to expand into new States.

— MAPFRE GENEL SIGORTA (Turkey) achieved premiums of €212.8 million and a result before taxes totalling €36.3 million.



Managers of THE COMMERCE GROUP visit MAPFRE in Spain

In the year 2009 the name MAPFRE was integrated into the brand, supported by an important advertising campaign in the media and on outdoor advertising hoardings, which has contributed to reinforce the good image of the Company; and there was very satisfactory progress in the development of the Group's IT platform that will be implemented next year. In 2010 the Company plans to open new branches in the main cities where it is not yet present.

MAPFRE INTERNACIONAL increased its holding in this company to 90% at the end of the year.

— MAPFRE SEGUROS GERAIS (Portugal) had premiums totalling €141.1 million in 2009, while the result before taxes amounted to €6.1 million. During 2009 the company completed the establishment of its Life assurance subsidiary, which commenced operations on 1st January 2010.

In the final days of 2009 an agreement was entered into with the Portuguese bank FINIBANCO, whereby MAPFRE SEGUROS GERAIS will acquire 50% of that group's Life assurance company and will control the management of the same when the relevant authorisations are obtained; agreements were also signed in order to distribute MAPFRE SEGUROS GERAIS' Non-Life insurance products through the FINIBANCO network, while MAPFRE SEGUROS GERAIS will seek to promote FINIBANCO bank products through its agents' network.

— MAPFRE INSULAR (Philippines) reported €23.2 million of premiums and a result before taxes of €3.3 million.

The Company, which ranks tenth in the Non-Life market by revenues, continues reinforcing its image as a specialist in the Automobile and Homeowner insurance classes, and continues to develop its agency network, continuing to foster sales via local agreements or partners.

The Company acted very quickly in the wake of typhoon KETSAMA, which on 26th September caused intensive rain and floods. The affected insured were quickly attended to, minimising damages to their vehicles and homes, and hence keeping the cost of the claims down. This action was supplemented by the initiative of the Social Action Institute of FUNDACIÓN MAPFRE, which contributed €300,000 for the distribution of emergency relief packages for those affected.

— The holding in MIDDLESEA (Malta) generated a loss of €9.2 million, caused by the losses at the Italian subsidiary of the company. During the year, MIDDLESEA carried out a capital increase of €40.2 million, in which MAPFRE INTERNACIONAL subscribed shares for an amount of €13.9 million, as a result of which it now holds 31% of the share capital.

— The 8.48% holding in CATTOLICA ASSICURAZIONI (Italy) generated a free capital increase charged to reserves, as a result of which MAPFRE INTERNACIONAL was allotted 218,317 new shares with a face value of €3 each.

According to figures to September, CATTOLICA had premiums totalling €3,172 million, while profits after taxes amounted to €51 million.



Genel Sigorta presentation in Turkey

Prospects

It is expected that business will continue developing in 2010 in an environment of strong competition, although the low interest rates should lead the sector to a gradual pursuit of higher technical returns. In this respect, it is expected that earnings in 2010 will show the results of the efforts carried out in the fields of operations and management, although the USD exchange rate may continue to have an influence on the earnings.

The Company will continue studying acquisition opportunities in strategic markets, and it will continue supporting the management of operations at its subsidiaries, while seeking agreements with local partners in the various markets.



MAPFRE INTERNACIONAL ⁽¹⁾

INCOME STATEMENT IFRS	2009	2008	Var. % 09/08
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	1,640.9	1,119.4	46.6%
Gross earned premiums	1,634.6	1,158.1	41.1%
Claims (includes claims related expenses)	(1,156.1)	(852.1)	35.7%
Operatin expenses and lther technical expenses	(424.3)	(293.8)	44.5%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	54.2	12.2	342.8%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(151.3)	(144.2)	5.0%
Claims paid and variation in provision for claims	80.6	98.5	(18.2%)
Comissions and participation in reinsurance	27.5	25.7	7.0%
RESULT OF CEDED AND RETROCEDED REINSURANCE	(43.2)	(20.0)	(116.6%)
Other technical revenues and expenses	(2.1)	(1.9)	12.9%
LIFE AND NON-LIFE TECHNICAL RESULT	8.9	(9.6)	-
Net income from investments	153.4	99.3	54.5%
Unrealised gains and losses on investments	1.2	(0.1)	-
Other non-technical revenues and expenses	1.8	4.6	(60.1%)
Result of minority interests	(0.3)	(1.3)	(77.8%)
LIFE AND NON-LIFE RESULT	165.0	92.9	77.5%
OTHER ACTIVITIES			
Operating revenues	0.0	0.0	-
Operating expenses	(5.4)	(2.9)	88.9%
Net income from investments and other income	0.6	9.7	(93.3%)
Result of minority interests	0.0	0.0	-
RESULT OF OTHER ACTIVITIES	(4.7)	6.8	(169.3%)
RESULT BEFORE TAX AND MINORITIES	160.3	99.7	60.7%
Tax on profits	(37.4)	(34.8)	7.5%
Result after tax from ongoing operations	0.0	0.0	-
RESULT AFTER TAX	122.9	65.0	89.1%
Attributable to minority shareholders	(6.9)	(9.8)	(29.1%)
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	116.0	55.2	110.1%

MILLON EUROS

NON-LIFE RATIOS	2009	2008
Claims ratio of direct insurance	71.6%	71.3%
Expense ratio of direct insurance	27.3%	27.3%
Combined ratio, net of reinsurance	98.9%	98.6%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2009	2008	Var. % 09/08
PORTUGAL	141.1	143.9	(2.0%)
TURKEY	212.8	232.0	(8.3%)
USA	1,263.8	721.6	75.1%
PHILIPPINES	23.2	21.8	6.5%
TOTAL	1,640.9	1,119.4	46.6%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2009	2008	Var. % 09/08
Investments and cash	2,503.3	2,498.3	0.2%
Total assets	4,372.3	4,526.5	(3.4%)
Shareholders equity	2,099.7	1,947.9	7.8%
ROE	5.9%	4.9%	20.4%

MILLION EUROS

OTHER INFORMATION	2009	2008	Var. % 09/08
Employees	3,317	3,321	(0.1%)

(1) Includes MAPFRE INTERNACIONAL, THE COMMERCE GROUP, MAPFRE GENEL SIGORTA, MAPFRE SEGUROS GERAIS, MAPFRE USA, MAPFRE INSULAR and the branch in Portugal of MAPFRE VIDA. Data for 2008 includes 7 months of THE COMMERCE GROUP.



► MAPFRE GLOBAL RISKS, S.A.
and its dependent companies

► Governing Bodies *

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Andrés Jiménez Herradón		
VICE-CHAIRMAN	Alfonso Ramón Rebuelta Badías	Vice-Chairman	Chairman
CHIEF EXECUTIVE OFFICER	Alfredo Castelo Marín	Chairman	
MEMBERS	Rafael Casas Gutiérrez	Member	
	Pedro J. de Macedo Coutinho de Almeida	Member	
	Javier Fernández-Cid Plañiol	Member	
	José Antonio Garrido Martínez		
	Pedro López Solanes		
	Antonio Miguel-Romero de Olano		Member
	Esteban Pedrayes Larrauri		
	Matías Salvá Bennasar		Member
	Esteban Tejera Montalvo		
SECRETARY	Rocío Peña Echarri	Secretary	

* Composition of governing body on the date of preparation of this annual report.

MAPFRE GLOBAL RISKS ended the year on a positive note, with growth both in the volume of premiums and results, confirming the good performance of its business and MAPFRE's clear leadership in this segment in Spain.

Throughout 2009, premium rates in the global risks market followed a downward trend and the "soft" market cycle was prolonged for another year, due to the competition triggered by the low claim experience, the good results of the last few years and the decline in demand caused by the shrinking economy. In contrast, in Credit and Surety insurance policies, which are more sensitive to the economic scenario, the claims experience remained high, especially in the first half of the year, leading to stricter underwriting conditions, greater risk selection and the raising of the prices of covers.

In this market context, with a very sluggish economy that has hit the Credit line in particular, business performed very favourably, retaining key accounts and reporting significant growth rates due to the dynamic international operations, the opening of new markets in collaboration with MAPFRE AMÉRICA and MAPFRE INTERNACIONAL, and the healthy performance of the offices in Europe.

MAPFRE GLOBAL RISKS ended the year on a positive note, with growth both in the volume of premiums and results, confirming the good performance of its business and MAPFRE's clear leadership in this segment in Spain.

Main Activities

NEW PRODUCTS

MAPFRE GLOBAL RISKS was active adapting the types of covers offered to customers' needs in the new markets in which it has begun operating, while MAPFRE CAUCIÓN Y CRÉDITO revised and updated its product range with a view to the commercial relaunch of its business, after overcoming the tough market situation that lasted until the first half of 2009.

SALES INITIATIVES

The year's highlights included the presentation and launch of the GLOBAL RISKS Project to the MAPFRE Group companies and the leading brokers and reinsurers; MAPFRE CAUCIÓN Y CRÉDITO's collaboration with the MAPFRE network in developing the Regional Corporate Business Management Centres, and in devising a comprehensive range of insurance products for companies and institutions alike; MAPFRE CAUCIÓN Y CRÉDITO's launch of a selective commercial plan geared towards the food and agricultural industry; MAPFRE GLOBAL RISKS' participation in the leading international forums of the multinational companies' risks managers; and the holding of the 21st MAPFRE GLOBAL RISKS' International Symposiums, which were an all-round success, both on account of the high quality of the papers presented and the large number of professionals from the sector who attended them, and who acknowledge the interest and prestige of these symposiums.

TECHNICAL MANAGEMENT AND CUSTOMER SERVICES

MAPFRE GLOBAL RISKS has revised its underwriting policy, and improved the structure of its reinsurance treaties to tailor them to the new businesses and markets to which it orients its offering; and its claims management structure to adapt them to the greater centralization of its activity and needs to develop the international business. MAPFRE CAUCIÓN Y CRÉDITO, meanwhile, has brought its prices and risk granting terms in line with the new economic scenario, revising its rates, streamlining its policy portfolio, and improving the credit quality of the risks; and has given its Regional Management Centres more independence in terms of underwriting, so as to improve efficiency and provide closer customer care through further decentralization of decision-making.



MAPFRE GLOBAL RISKS hold a press conference at the 21st International Seminar held in Barcelona



INFORMATION AND TECHNOLOGY SYSTEMS

Most efforts during the year were focused on two key projects: the set up of MAPFRE GLOBAL RISKS's new technological environment, with applications specifically designed for the integrated management of these business; and the technological development of MAPFRE CAUCIÓN Y CRÉDITO, through the implementation of a new Surety management application, and the development of the new Credit management system scheduled for implementation in the first half of 2010.

INTERNATIONAL ACTIVITIES

The most notable events were the start of underwriting operations with local customers in the Argentine, Brazilian, Chilean, Colombian, Mexican and Turkish markets, as well as Aviation risks through the GLOBAL AEROSPACE pool; the integration of the Representative Offices in Europe, with significant growth in written premiums and good results; and MAPFRE GLOBAL RISKS' authorisation to operate as a temporary reinsurer in Brazil. eventual en Brasil.

Subsidiaries and Associated Companies

In the framework of the new model for developing and supervising the Group's Credit and Surety businesses, the subsidiaries that specialize in this business in Brazil, Chile, Colombia and Mexico have been transferred to MAPFRE AMÉRICA.

ITSEMAP ended the year on a positive note; and has extended its range of services to risk evaluation, and the support of operations underwriting and claims management. Now it boasts a spectrum of high value-added prevention and security services that are the perfect partner for MAPFRE GLOBAL RISKS' range of activities.

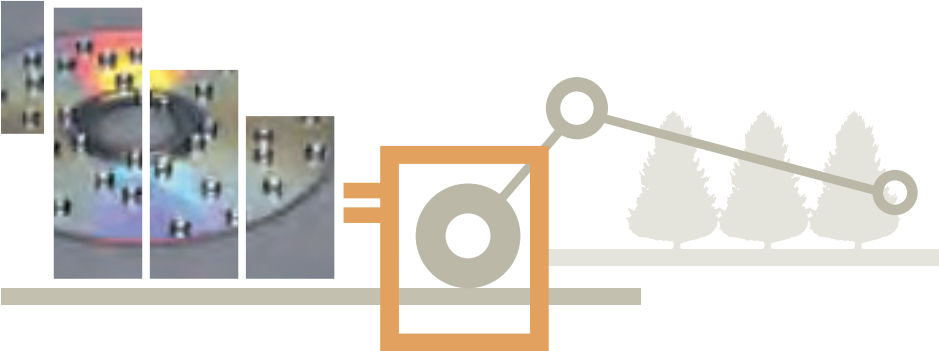
Prospects

In 2010, the volume of business will be negatively conditioned in the Spanish market by the downturn in business activity in general, the house building slump, and the lower demand for capital goods, which will hit the volume of premiums, and are likely to trigger stiffer competition, which could reduce profit margins in some lines of business. Fortunately, the Company's steady penetration of international markets should enable it to weather the uncertainties looming over the Spanish market; and the improved claims experience indicators in Credit Insurance permits more optimism about how this business will perform in the coming months. Therefore sales activities will be relaunched selectively in 2010.

MAPFRE GLOBAL RISKS solid position in the market means that it is prudently optimistic about the coming years, when it expects to obtain growth in premiums higher than the sector as a whole, with a steadily increasing market share, retain more of the business, and boost efficiency levels by lowering expense ratios. These, together with claims experience at prudent levels, should result in the Company reporting increasing results.



Launch of the Amazonas 2 satellite insured by MAPFRE GLOBAL RISKS



MAPFRE GLOBAL RISKS

INCOME STATEMENT IFRS	2009	2008 ⁽¹⁾	Var. % 09/08
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	838.4	777.5	7.8%
Gross earned premiums	794.6	746.9	6.4%
Claims (includes claims related expenses)	(540.7)	(642.7)	(15.9%)
Operatin expenses and lther technical expenses	(96.5)	(91.9)	5.1%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	157.3	12.4	1,173.0%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(608.8)	(580.1)	4.9%
Claims paid and variation in provision for claims	401.8	502.4	(20.0%)
Comissions and participation in reinsurance	61.7	64.3	(4.1%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(145.3)	(13.4)	985.6%
Other technical revenues and expenses	(8.5)	(11.1)	(23.5%)
LIFE AND NON-LIFE TECHNICAL RESULT	3.5	(12.1)	-
Net income from investments	20.0	21.2	(5.7%)
Unrealised gains and losses on investments	0.0	0.0	-
Other non-technical revenues and expenses	2.0	6.3	(68.0%)
Result of minority interests	0.0	0.0	-
LIFE AND NON-LIFE RESULT	25.5	15.4	65.7%
OTHER ACTIVITIES			
Operating revenues	7.9	8.2	(4.4%)
Operating expenses	(8.3)	(8.5)	(1.3%)
Net income from investments and other income	0.0	0.0	(462.5%)
Result of minority interests	0.0	0.0	-
RESULT OF OTHER ACTIVITIES	(0.5)	(0.2)	84.6%
RESULT BEFORE TAX AND MINORITIES	25.0	15.1	65.4%
Tax on profits	(7.6)	(3.5)	119.3%
Result after tax from ongoing operations	0.0	0.0	-
RESULT AFTER TAX	17.5	11.7	49.5%
Attributable to minority shareholders	(0.1)	(0.1)	110.7%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	17.3	11.6	49.2%

MILLON EUROS

NON-LIFE RATIOS	2009	2008 ⁽¹⁾	Var. % 09/08
Combined ratio, net of reinsurance	98.1%	107.3%	
GROSS WRITTEN AND ACCEPTED PREMIUMS			
Fire - Property damage	365.0	264.8	37.9%
Motor - otehr guarantees	7.9	6.7	18.8%
Third party liability	84.6	95.5	(11.4%)
Engineering	63.6	105.0	(39.5%)
Transport	200.0	155.6	28.5%
Credit	100.3	128.6	(22.0%)
Surety	17.0	21.4	(20.6%)
TOTAL	838.4	777.5	7.8%

MILLON EUROS

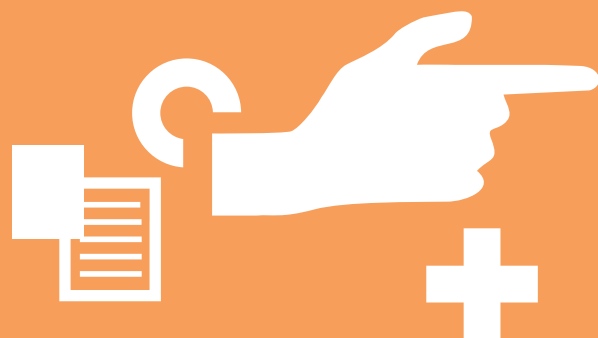
BALANCE SHEET KEY FIGURES (IFRS)	2009
Investments and cash	474.7
Total assets	2,320.1
Shareholders equity	390.4

MILLION EUROS

SOLENCY AND COVERAGE OF TECHNICAL RESERVES	2009
Technical reserves requiring coverage	1,635.9
Excess of eligible assets over reserves	107.6
Minimum solvency margin	73.3
Solvency margin	370.8

MILLION EUROS

OTHER INFORMATION	2009
Employees	631
Policies in force at year end (thousands)	7,634
Claims handled during the year	167,008
Sppeed of settlement	61.3



▶ MAPFRE ASISTENCIA, S.A.
and its dependent companies

▶ Governing Bodies *

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
EXECUTIVE CHAIRMAN	Rafael Senén García	Chairman	
VICE-CHAIRMAN	Antonio Miguel-Romero de Olano	Vice-Chairman	Chairman
VOCALES	Javier Álvarez Oblanca	Member	Member
	Nikos Antimissaris	Member	
	Francisco Bravo García		
	Rafael Casas Gutiérrez		
	Javier Fernández Cid	Member	
	Gerardo Hernández de Lugo		
	Augusto Huéscar Martínez	Member	Member
	Pedro de Macedo		
	Antonio Núñez Tovar	Member	
	Juan Antonio Pardo Ortiz		
	Agustín Rodríguez García		
	Esteban Tejera Montalvo		
	PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L. Represented by Rodolfo Benito Valenciano		
	VALORACIÓN Y CONTROL, S.L. Represented by Mercedes de la Merced Monge		
SECRETARY	Félix Mansilla Arcos	Secretary	
	M ^a Luisa Linares Palacios		Secretary

* Composition of governing body on the date of preparation of this annual report.

This unit performed very positively in 2009, despite adverse circumstances in various markets, and reported revenues of €495 million.

This unit performed very positively in 2009, despite adverse circumstances in various markets, and reported revenues of €495 million, as compared to €450 million in 2008; and a net result of €16.3 million, 51% up on the previous financial year.

In keeping with the general guidelines set out in its strategic plan, the Unit paid special attention to sustainably raising the volume and, in particular, the profitability of its operations, by designing new insurance products with larger margins that balance the contribution to the results of the various geographical areas and business lines; to designing efficient processes that help to improve the service and cut operating costs; and to further analyse international expansion opportunities.

Main Activities

NEW PRODUCTS

A new warranty extension product for new vehicles was launched, which covers events occurring after the manufacturer's warranty expires; in the United Kingdom the company has begun marketing the "E-solve Motor" integrated package through car dealerships. This solution includes warranty covers, car purchase protection and road side assistance; in Latin America it has developed a product with various types of assistance cover for consumers, which is sold by telephone marketing; it has extended its product range for individual customers with the launch in the Southern Cone of the Club 24 product, featuring road side assistance cover, which is sold over the Internet; it added new types of cover to the range of Travel Insurance, including delay or luggage loss indemnities, and training course cancellation expenses in the case of certain products intended for groups of students; and supplemented the programmes of ancillary claims processing services for insurance companies, with various possibilities such as secondary tow services.

SALES INITIATIVES

In 2009, MAPFRE signed the first contracts with insurance companies to include the vehicle warranty cover in their Motor portfolios; it signed an agreement with a North American underwriter that specialises in new vehicle warranties, to develop this product jointly world-wide; opened new channels for marketing travel insurance in Latin America, with on-line sale through airlines and wholesale tour operators. Also great efforts were devoted to extending successful products to new countries in other geographical areas.

TECHNICAL MANAGEMENT AND CUSTOMER SERVICE

It is worth highlighting in this field of activity the expansion to new Business Units of the "Futura" service management methodology, which permits the management of services by conventional mobile telephones, thus facilitating their usage and cutting the associated costs; the company has begun providing vehicle assistance services in Greece with its own resources; it has centralized the registration of all the prices for major accounts World-wide, creating a common knowledge base and improving the control in this field; opened a new services centre in Santa Fe (Argentina), oriented to the needs of inland corporate clients; and has reached agreements for the supply of components, such as tyres and batteries, wherever the assistance service is provided.

INFORMATION AND TECHNOLOGY SYSTEMS

The projects and achievements in this area of activity include the second corporate data processing centre in Ávila, which serves Europe and other countries; the launch of a project to deploy a global telephone traffic management system at all the call centres; the implementation of certain measures in order to pool resources, agreements and experiences, thereby improving management and cutting costs; the opening of a Project Office that will develop management methodologies, advise on their launch, and facilitate the monitoring of the activities taken; and the development of the Unit's corporate intranet.

INTERNATIONAL ACTIVITIES

In Russia Mapfre a new company was established, which initially will sell warranty products; the business activities of its subsidiaries in Egypt, Libya and Jordan have been expanded through the opening of call centres to provide local services.

Prospects

In 2010, the Unit plans to stick to the same strategy as in recent years, albeit placing emphasis on products with the largest unit margin, such as the various types of warranty insurance or travel insurance; and exploring new marketing methods that allow it to create a broad and stable customer base through agreements with institutions of reference, or through its own distribution networks.

However, the traditional products, particularly Vehicle Assistance, will continue accounting for much of the portfolio, and will be boosted through new types of cover and service delivery improvements to increase their margins and the competitiveness in the market. These products will be offered selectively to the end customer, so as to achieve sustained growth and a steady improvement in their profit margins.

As far as international expansion goes, the company intends to boost the generation of new opportunities in Asia, and selectively in Africa, while devoting special efforts to developing business in the major emerging countries of all areas of the World. These business objectives will be supported by strong efforts to achieve operating efficiency.

The essential ingredients required to do so will be ongoing innovation; the strategic alignment of the organization through new methodologies of planning formulation and tracking at all levels; improvements to internal control mechanisms; and the development of policies for attracting, retaining and managing talent at an international level.



MAPFRE ASISTENCIA celebrates its 17th convention in Jordan



Launch of the business unit in Libya

MAPFRE ASISTENCIA

INCOME STATEMENT IFRS	2009	2008	Var. % 09/08
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	357.1	301.5	18%
Gross earned premiums	334.5	316.5	6%
Claims (includes claims related expenses)	(208.5)	(197.5)	6%
Operating expenses and other technical expenses	(96.7)	(96.2)	0%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	29.4	22.8	29%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(30.1)	(26.0)	16%
Claims paid and variation in provision for claims	14.0	13.7	2%
Comissions and participation in reinsurance	16.2	12.4	30%
RESULT OF CEDED AND RETROCEDED REINSURANCE	0.0	0.2	(88%)
Other technical revenues and expenses	(2.5)	(3.6)	(30%)
LIFE AND NON-LIFE TECHNICAL RESULT	26.9	19.3	39%
Net income from investments	0.7	1.9	(61%)
Unrealised gains and losses on investments	0.0	0.0	-
Other non-technical revenues and expenses	(0.1)	(0.1)	(40%)
Result of minority interests	0.0	0.0	
LIFE AND NON-LIFE RESULT	27.6	21.1	31%
OTHER ACTIVITIES			
Operating revenues	126.8	124.3	2%
Operating expenses	(128.8)	(124.0)	4%
Net income from investments and other income	0.1	(1.0)	-
Result of minority interests	0.0	0.4	(97%)
RESULT OF OTHER ACTIVITIES	(2.0)	(0.4)	435%
RESULT BEFORE TAX AND MINORITIES	25.6	20.7	23%
Tax on profits	(6.7)	(7.3)	(8%)
Result after tax from ongoing operations	(1.3)	(1.5)	-
RESULT AFTER TAX	17.6	11.9	47%
Attributable to minority shareholders	(1.2)	(1.1)	12%
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	16.3	10.8	51%

MILLION EUROS

NON-LIFE RATIOS	2009	2008
Claims ratio of direct insurance	63.9%	63.3%
Expense ratio of direct insurance	27.3%	30.1%
Combined ratio, net of reinsurance	91.2%	93.4%

DETAILS OF REVENUES BY BUSINESS AREAS	2009	2008	Var. % 09/08
Insurance and services (premiums)	368.4	325.9	13%
Insurance and services (other revenues)	126.8	118.1	7%
Travel	-	6.2	-
TOTAL	495.1	450.2	10%

MILLION EUROS

DETAILS OF REVENUES BY GEOGRAPHICAL AREAS	2009	2008	Var. % 09/08
Spain	24.9	31.1	(20%)
Other countries of the EU	216.2	199.1	9%
Americas	224.6	194.8	15%
Rest of the World	29.4	25.2	17%
TOTAL	495.1	450.2	10%

MILLION EUROS

BALANCE SHEET KEY FIGURES (IFRS)	2009	2008	Var. % 09/08
Investments and cash	99.1	91.4	8%
Total assets	414.5	372.8	11%
Shareholders equity	138.3	123.8	12%
ROE	12.8%	9.3%	38%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2009	2008	Var. % 09/08
Technical reserves requiring coverage	51.7	48.2	7%
Excess of eligible assets over reserves	6.1	4.9	25%
Minimum solvency margin	32.6	29.9	9%
Solvency margin	134.5	122.8	10%

MILLION EUROS

OTHER INFORMATION	2009	2008	Var. % 09/08
Employees	3,780	3,520	7%
Claims handled during the year (thousands)	4,975	5,052	(2%)
Persons assured at year end (million)	72.0	70.2	3%



► MAPFRE RE, S.A.
and its dependent companies

► Governing Bodies *

BOARD OF DIRECTORS		Steering Committee	Compliance Committee
CHAIRMAN	Andrés Jiménez Herradón		
VICE-CHAIRMAN	Matías Salvá Bennasar	Vice-Chairman	Chairman
CHIEF EXECUTIVE OFFICER	Pedro de Macedo Coutinho de Almeida	Chairman	
MEMBERS	Ángel Alonso Batres		
	Ricardo Blanco Martínez		
	José Carlos Contreras Gómez ⁽¹⁾		
	Javier Fernández-Cid Plañiol	Member	
	Lorenzo Garagorri Olavarrieta		
	Philippe Hebeisen (Vaudoise Assurances Holding)		
	Amparo Larrondo Climent ⁽²⁾		
	J. David Moore (Shelter Mutual Insurance Company)		
	Juan Antonio Pardo Ortiz		
	George A. Prescott (Ecclesiastical Insurance Office)	Member	
	Claudio Ramos Rodríguez	Member	
	Ermanno Rho (Società Cattolica di Assicurazione)		
	Gregorio Robles Morchón		Member
	Agustín Rodríguez García	Member	Member
	Francisco Ruiz Risueño		Member
Rafael Senén García			
Domingo Sugranyes Bickel	Member		
SECRETARY	Miguel Gómez Bermúdez	Secretary	

* Composition of governing body on the date of preparation of this annual report.

(1) In representation of PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L.

(2) In representation of MEDIACIÓN Y DIAGNÓSTICOS, S.A.



In a complicated environment, marked by a profound international economic crisis, MAPFRE RE reported excellent earnings and outstanding growth in premiums and income, enabling it to bolster its solid position in the market and maintain its high financial ratings.

The growth in premiums contrasts with a general downturn in business in nearly all markets. MAPFRE RE's results were boosted by a moderate catastrophic claims experience, and stable market prices and conditions, triggered by reinsurers' prudent approach, forced to obtain sufficient technical results so as to make the business less volatile and reduce investment risks, as well as allowing a suitable return on capital.

Main Activities

— MAPFRE RE's newly-incorporated Brazilian subsidiary continues to develop prudently in this important market, having attained the goals set for its first full year in operation. The subsidiary has been furnished with the technical and human resources it needs to do business, and to comply with the strict local regulations. MAPFRE RE has also applied to the SUSEP (the Brazilian insurance regulator), for registration as an Permanent Reinsurer, to replace its registration as a Temporary Reinsurer. This measure, which entails making a USD 5,000,000 deposit as a guarantee, will widen its scope of action in that market.

— During 2009 MAPFRE RE further reinforced its staff with new technical personnel, both at the head office and branches, in order to serve its customers more efficiently. Among other measures, the proportional business of those countries with which the Company is most linked with has been transferred to the London office, in order for the management of this business to be closer to customers. The next generation of management is steadily taking over at several offices, with the full collaboration of the current members of management.

— The Company has kept on paying special attention to the technical services it provides to its customers: its own staff have given training courses and seminars in collaboration with ITSEMAP (13 seminars in 12 countries, which were attended by 416 people); various seminars have been held for the Group's companies in several countries, as well as in-house training seminars on technical and accounting issues; and improvements have been made to our Trébol magazine, which is now published digitally on the company's website.

— The KLAUS storm devastated northern Spain and the south of France at the end of January, causing insured property damage worth over €1.5 billion. Although most of the damages in Spain have been paid for by the "Consortio de Compensación de Seguros", they have also hit the results of the Spanish insurers and their reinsurers, which is why the management of overall catastrophic effects liable to occur in Spain ought to be reconsidered, in order to adequately quantify the exposure to these types of events and the extent of the Consortio's cover.

MAPFRE RE's results were boosted by a moderate catastrophic claims experience, and stable market prices and conditions, triggered by reinsurers' prudent approach.

— MAPFRE RE has renewed its excellent ratings with the main rating agencies: S&P has maintained its rating of AA with stable outlook, an improvement on the previous negative outlook; and AM Best has renewed the A+ rating with a negative outlook. According to the rankings published by these two agencies, the Company ranks 14th in the World by gross premiums, and 17th by net premiums, several positions higher than the previous year, which reflects the international market's confidence in its solvency and the quality of its management.

— In 2009, MAPFRE RE developed new applications of the internal capital model, as well as management and quotation tools so as to offer customers a faster, more effective and competitive service while keeping operations profitable. In this respect, the Company is busy working to comply with the requirements imposed by the new accounting standards that came into force recently.



MAPFRE RE opens the offices of its new subsidiary in Brazil

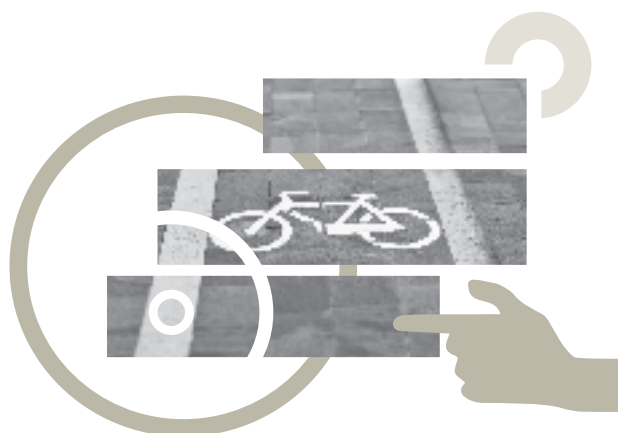
Subsidiaries and Associated Companies

The Chile-based subsidiaries, INVERSIONES IBÉRICAS and MAPFRE CHILE REASEGUROS, reported revenues of €7.1 million, a result after tax of €2.1 million; their equity amounted to €61.4 million.

MAPFRE RE DO BRASIL performed remarkably well in 2009, with €64 million of premium revenues and a result after tax of €1.2 million; its equity amounted to €30.8 million.

Prospects

The forecast for 2010 is for prudent development of the business portfolio, in a context that is likely to be competitive, unless there is any catastrophe or the financial market is highly volatile. Continuing to offer professional advice and support to customers over the years has shown to be the best tool for maintaining a positive outlook.



MAPFRE RE

INCOME STATEMENT IFRS	2009	2008	Var. % 09/08
DIRECT INSURANCE AND ACCEPTED REINSURANCE			
Gross written and accepted premiums	2,053.7	1,778.6	15.5%
Gross earned premiums	1,961.3	1,709.6	14.7%
Claims (includes claims related expenses)	(1,164.6)	(1,061.0)	9.8%
Operatin expensesa and lther technical expenses	(501.2)	(465.6)	7.6%
RESULT OF DIRECT INSURANCE AND ACCEPTED REINSURANCE	295.4	183.0	61.4%
CEDED AND RETROCEDED REINSURANCE			
Premiums and variation in unearned premium reserve	(650.1)	(571.8)	13.7%
Claims paid and variation in provision for claims	321.3	318.7	0.8%
Comissions and participation in reinsurance	115.2	123.7	(6.9%)
RESULT OF CEDED AND RETROCEDED REINSURANCE	(213.6)	(129.3)	65.2%
Other technical revenues and expenses	(1.0)	(1.2)	(16.7%)
LIFE AND NON-LIFE TECHNICAL RESULT	80.8	52.4	54.2%
Net income from investments	79.9	97.8	(18.3%)
Unrealised gains and losses on investments	0.0	0.0	-
Other non-technical revenues and expenses	(1.9)	(2.6)	(26.9%)
Result of minority interests	0.0	0.4	(100.0%)
LIFE AND NON-LIFE RESULT	158.9	148.0	7.4%
RESULT OF OTHER ACTIVITIES	0.0	0.0	-
RESULT BEFORE TAX AND MINORITIES	158.9	148.0	7.4%
Tax on profits	(46.4)	(44.3)	4.7%
Result after tax from ongoing operations	0.0	0.6	-
RESULT AFTER TAX	112.5	104.2	8.0%
Attributable to minority shareholders	0.0	0.0	-
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	112.5	104.2	8.0%

MILLON EUROS

NON-LIFE RATIOS	2009	2008
Claims ratio of direct insurance	63.6%	65.1%
Expense ratio of direct insurance	29.9%	30.4%
Combined ratio, net of reinsurance	93.5%	95.5%

GROSS WRITTEN AND ACCEPTED PREMIUMS	2009	2008	Var. % 09/08
Non-life	1,877.8	1,654.8	13.5%
Life	175.9	123.9	42.0%
TOTAL	2,053.7	1,778.6	15.5%

MILLION EUROS

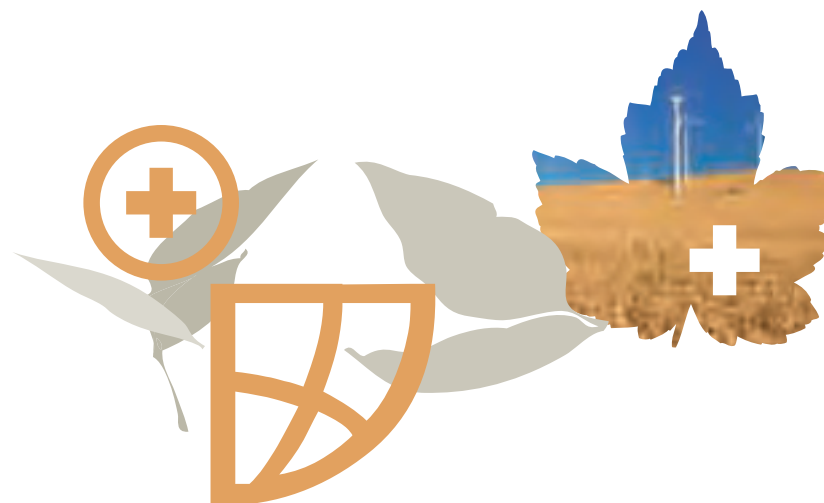
BALANCE SHEET KEY FIGURES (IFRS)	2009	2008	Var. % 09/08
Investments and cash	2,082.5	1,826.6	14.0%
Total assets	3,476.0	3,130.7	11.0%
Shareholders equity	839.7	742.8	13.0%
ROE	14.2%	14.2%	0.2%

MILLION EUROS

SOLVENCY AND COVERAGE OF TECHNICAL RESERVES	2009	2008	Var. % 09/08
Technical reserves requiring coverage	2,154.9	1,960.2	9.9%
Excess of eligible assets over reserves	490.9	413.6	18.7%
Minimum solvency margin	316.9	249.1	27.2%
Solvency margin	802.5	716.0	12.1%

MILLION EUROS

OTHER INFORMATION	2009	2008	Var. % 09/08
Employees	282	269	4.8%
% commissions / gross accepted reinsurance premiums	26.9%	27.6%	(2.5%)
% internal expenses / gross accepted premiums	1.8%	1.9%	(5.3%)





▶ MAPFRE INMUEBLES, S.A.
and its dependent companies

▶ Governing Bodies *

BOARD OF DIRECTORS		Steering Committee
CHAIRMAN	Luis Basagoiti Robles	Chairman
FIRST VICE-CHAIRMAN	Alberto Manzano Martos	First Vice-Chairman
SECOND VICE-CHAIRMAN	Rafael Fontoira Suris	Second Vice-Chairman
MEMBERS	Pascual Arbona Rodríguez	
	Víctor Bultó Millet	
	Antonio Eraso Campuzano	
	Alberto Español Castelar	
	Rafael Galarraga Solores	
	José Manuel González Porro	Member
	Miguel Lladó Oliver	Member
	Antonio Miguel-Romero de Olano	
	Oswaldo Román Llorente	
	Julián Salcedo Gómez	Member
	PARTICIPACIONES Y CARTERA DE INVERSIÓN, S.L. (represented by Federico Navarro Cuesta)	
VALORACIÓN Y CONTROL, S.L. (represented by José Antonio Moral Santín)		
SECRETARY	Roberto Isaías Invernón Sacristán	Secretary

* Composition of governing body on the date of preparation of this annual report



The real estate market fared worse in 2009 than in the two previous years: the number of approved houses dropped; new housing starts almost came to a standstill on account of the high volume of existing stock; and sales continue to decline, basically due to homebuyers facing bank financing restrictions, with additional guarantees required for mortgages, and impacted by rising unemployment. However, the downturn in sales seems to be slowing down, and prices appear to have fallen as much as forecast.

In this context, MAPFRE INMUEBLES reported a loss at the end of 2009, mainly after having to increase provisions to cover the depreciation of its stocks.

Main Activities

PROPERTY DEVELOPMENT

Work was completed on the Buenavista (Ensanche de Vallecas – Madrid), Viso de la Encomienda (Valladolid), and Punta des Pinet (Ibiza) developments; while work continued on the Jardines del Toyo housing estate in Almería.

The company also continued marketing the unsold properties of these developments, as well as the Mirasierra Residencial (Betera), Mirasol Residencial (Oviedo) and Campos del Mar (Mijas) developments, both on a sale and a rental basis.

LAND

The Company has continued applying for permission to develop the plots of land that it owns, the main achievements worth mentioning being the final approval of the Partial Plan of the Homogeneous Area 1 in Prado Palacio (Valladolid), and the approval of the modifications to the Palma de Mallorca Town Development Plan for part of the Levante Sector of the Maritime Façade, where the Company owns several plots of land; and the provisional approval of the new Town Development Plan for Marbella (Malaga), where the Cotochico estate is located; the Land development project in Alto de Pumarín (Gijón), and of the rezoning project for the sector where the land is located in the area known as 22@, in Barcelona.

The Company has also applied for planning permission for the plots of land it owns in Casabermeja, Rincón de la Victoria, Torremolinos and Cizaña Alta (all in Malaga) and Malilla (Valencia).



The Buenavista development in the Ensanche de Vallecas in Madrid

REAL ESTATE SERVICES

The company managed various projects for the Group's undertakings in Sant Cugat (Barcelona), Oviedo, Alcorcón (Madrid), Zaragoza, Hospitalet de Llobregat (Barcelona), Majadahonda (Madrid) and Monte del Pilar (Madrid); the construction of buildings in Sant Cugat (Barcelona), Alcorcón (Madrid) and Las Palmas; the remodelling of a building in Madrid; and various assignments in buildings in Madrid, Las Palmas and Majadahonda.

It also handled the sale of two buildings in Alcobendas and Madrid; the purchase of land in Majadahonda to expand the Group's head office; and the marketing of buildings that the Group owns and rents out, with an end of year occupancy percentage of 92.17%.

INTERNATIONAL ACTIVITIES

The Company continued marketing the available floorspace in the properties that MAPFRE owns in Santiago de Chile and Colombia, and handling the refurbishments necessary in the El Velero building in Bogota (Colombia).



Signing of accord with the Council of Palma

The Company's activity will be focused on terminating the construction and subsequent sale, or rental, of those developments underway.

INFORMATION AND TECHNOLOGY SYSTEMS

Work continued on implementing new utilities of the integrated management programmes for real estate companies (PRINEX), cost management programmes (PRESTO), and for risk management and customer identification in money laundering prevention issues (PEDRA); while Company staff attended courses to learn to use CALENER, the building energy efficiency calculation programme. The use of the website, combined with presence in specialized real estate sector portals and in MAPFRE's intranet, has been further stepped up as channels for marketing the Company's property developments and services.

Subsidiaries and Associated Companies

- SERVICIOS INMOBILIARIOS MAPFRE continued engaging in the business management of leases and rentals, administration and maintenance of real estate properties, and management of the purchase and sale of buildings and land, chiefly for the Group's companies.
- DESARROLLOS URBANOS CIC continued to develop the land it owns in Las Teresitas (Santa Cruz de Tenerife).
- INMOBILIARIA MAPINVER continued seeking planning permission to develop the land it owns in El Algar-Altea (Alicante).



The Punta des Pinet development in Ibiza

Prospects

The Group's governing bodies have made the decision to drastically reduce its Real Estate development activities, given the real estate sector's negative prospects, and the need to cut back the amount of equity allocated to in non-strategic activities.

As a result the Company's activity will be focused on terminating the construction and subsequent sale, or rental, of those developments underway; completing the urban management of the land acquired, endeavouring to divest when the state of the market make it advisable; and providing Real estate services to the Group's companies.

MAPFRE INMUEBLES

INCOME STATEMENT IFRS	2009	2008	Var. % 09/08
Revenues from services	18.1	51.6	(64.9%)
Revenues from sales	27.4	7.6	260.5%
Write back of provision for property stock depreciation	11.5	0.0	-
Total operating revenues	57.0	59.2	(3.7%)
Operating expenses	(32.0)	(34.3)	(6.7%)
Provision for property stock depreciation	(25.6)	(45.4)	(43.6%)
Operating result	(0.6)	(20.5)	(97.1%)
Financial income	0.9	1.6	(43.8%)
Financial expenses	(19.3)	(27.2)	(29.0%)
Financial result	(18.4)	(25.6)	(28.1%)
RESULT BEFORE TAX AND MINORITIES	(19.0)	(46.1)	(58.8%)
Tax on profits	5.7	13.6	(58.1%)
Result after tax from ongoing operations	0.0	0.0	-
RESULT AFTER TAX	(13.3)	(32.5)	(59.1%)
Attributable to minority shareholders	0.0	0.0	-
RESULT AFTER TAX AND MINORITY SHAREHOLDERS	(13.3)	(32.5)	(59.1%)

MILLON EUROS

KEY BALANCE SHEET FIGURES (IFRS)	2009	2008	Var. % 09/08
Investments and cash	16.2	8.7	86.2%
Stock	654.4	686.5	(4.7%)
Shareholders' equity	96.7	111.7	(13.4%)

MILLON EUROS

OTHER INFORMATION	2009	2008	Var. % 09/08
Employees	61	74	(17.6%)
Real estate units under construction	145	334	(56.6%)
Real estate units sold	82	5	1540.0%



▶ MAPFRE QUAVITAE, S.A.
and its dependent companies

▶ Governing Bodies *

BOARD OF DIRECTORS		Steering Committee
CHAIRMAN	Esteban Pedrayes Larrauri	Chairman
VICE-CHAIRMAN	Ángel Córdoba Díaz	Member
CHIEF EXECUTIVE OFFICER	José Luis Sánchez Báscones	Member
MEMBERS	MEDIACIÓN Y DIAGNÓSTICO, S.A. (represented by Juan José Azcona Olondriz)	
	Severiano Solana Martínez	Member
	PARTICIPACIONES Y CARTERA DE INVERSIÓN, S. L. (represented by José María de la Riva Amez)	
	Antonio Núñez Tovar	
	Francisco Marco Orenes	
SECRETARY	Blanca Sánchez Fresco	Secretary
VICE-SECRETARY	M ^a . Rosario Arias Allende	Vice-Secretary

* Composition of governing body on the date of preparation of this annual report.

MAPFRE QUAVITAE has geared most of its efforts to consolidating the most recently-opened geriatric homes, further diversifying its services for physically and mentally disabled persons, improving its operational and management information processes, and making its operations more profitable.

The delay in the materialization of the expectations triggered by the Dependency Act, which have not come true, combined with the effects of the general economic situation, has brought down the profit margins of businesses that provide services to the elderly. This has hindered the expansion plans of the sector's leading companies, and made certain major international groups shelve their plans to enter the market while forcing other operators out of the market.

In this context, MAPFRE QUAVITAE has geared most of its efforts to consolidating the most recently-opened geriatric homes, further diversifying its services for physically and mentally disabled persons, improving its operational and management information processes, and making its operations more profitable.

Ordinary earnings from ongoing operations (€2.06 million before taxes and minorities) were neutralized by an extraordinary loss of €4.6 million following the adverse judgment in a lawsuit initiated in 2003. MAPFRE QUAVITAE reported a €1.2 million loss from discontinued operations (shareholding in BIOINGENIERIA ARAGONESA, S.L.).

Main Activities

All lines of business performed well, with growth in the sales reported by the Home Care Service (18%), the Geriatric Homes and Disabled People's Homes (12.5 %), the Day Care Centres (32.4 %), a service that processes, prepares and distributes medical prescriptions and medicinal products to the Valencian Regional Government (300%), and Home Teleassistance (16.5%). Altogether, the Company has 21 geriatric homes with 3,388 residential beds.

Subsidiaries and Associated Companies

The Company has two active subsidiaries (QUAVITAE BIZI KALITATE, S.L, which operates in the Basque Country, and AZUL CENTROS RESIDENCIALES, S.A., based in Marbella), which have continued doing business as normal; another subsidiary classified as having discontinued its operations in 2009 (BIOINGENIERIA ARAGONESA, S.L.); and one dormant subsidiary (PROVITAE CENTROS ASISTENCIALES, S.L.).



2nd edition of the Advanced Management Course of Social Services Centres



The writer José Luis Sampedro at the MAPFRE QUAVITAE conference of healthy habits

Prospects

Three years after it was enacted, the Dependency Act is being judged from several different perspectives. Plans are underway to introduce operational amendments so as to limit regional imbalances, promote vocational employment, and create new infrastructure to cope with the policy of paying benefits to family carers. The free choice of residence and the increase in home services for dependent people are also on the agenda, which the market could greatly benefit from.

In this context, the Company will selectively look for opportunities through the management of public or private homes, or by negotiating additional residential beds in existing homes.

MAPFRE QUAVITAE

KEY BALANCE SHEET FIGURES (IFRS)	2009	2008	Var. % 09/08
Shareholders' equity	45.8	48.9	(6.3%)
Total assets	120.4	115.2	4.5%

MILLION EUROS

OTHER INFORMATION	2009	2008	Var. % 09/08
Residential centres	21	20	5.0%
Residential places	3,388	3,273	3.5%
Day centres	35	31	12.9%
Day centre places	1,471	1,369	7.5%
Teleassistance users	21,930	21,670	1.2%
Home assistance users	16,477	14,043	17.3%



- ▶ BANCO DE SERVICIOS FINANCIEROS CAJA MADRID-MAPFRE, S.A.
company controlled by CAJA MADRID (51%) and MAPFRE (49%)

▶ **Governing Bodies ***

BOARD OF DIRECTORS		Steering Committee
CHAIRMAN	Carlos María Martínez Martínez	Chairman
VICE-CHAIRMAN	José Manuel González Porro	Vice-Chairman
CHIEF EXECUTIVE OFFICER	José M ^a García Alonso	Member
MEMBERS	Gonzalo Alcobilla Povedano	
	Juan Martín Bartolomé Pásaro	Member
	Jesús Martínez Castellanos	
	Esteban Pedrayes Larrauri	Member
	Alfonso Reuelta Badías	
	Ignacio Soria Vidal	
SECRETARY	Salvador Escribano Guzmán	Secretary
VICE-SECRETARY	Claudio Ramos Rodríguez	Vice-Secretary

* Composition of governing body on the date of preparation of this annual report.



The financial year 2009 has been the hardest in the Bank's history. The serious international economic crisis has heavily impacted upon the financial sector, and the Bank's subsidiaries were not immune to this, having been hit by a sharp downturn in production, while non performing loan levels rose to a record high, both of which impacted the consolidated income statement very negatively.

The year 2009 ended with a consolidated customer lending figure of €6,175 million, compared to €6,756 million in 2008, and with consolidated shareholders' equity of €466 million, 2.87% up on the previous year.

In the income statement, consolidated ordinary revenues totalled €150.5 million, 22.76% higher than the previous year; operating expenses amounted to €58.9 million, practically the same as last year; provisions for non performing loans amounted to €208.9 million, compared to €53.6 million in 2008; and the consolidated loss after taxes and minorities amounted to €99.9 million.

During the year, the Bank carried out a €115 million rights issue that was subscribed for by the major shareholders (CAJA MADRID CIBELES S.A. and MAPFRE S.A.) in accordance with their respective shareholdings. The Bank also increased the share capital at its subsidiaries, FINANMADRID and FINANMADRID MÉXICO, by €115 million and MXN 40 million.

Subsidiaries and Associated Companies

FINANMADRID

Finanmadrid is the Bank's subsidiary that has been hardest hit by the crisis' effects, with a very strong downturn in its production, especially in motor vehicle financing where it reported a volume of finance of €95 million without taking into account credit stock, compared to €703 million in the previous year. This was not so sharp in consumer lending, where it lending amounted to €244 million, 25% down on 2008; and its results were severely impacted by non performing loans.

The Company has decided to accelerate the provisioning calendar set by the Bank of Spain so as anticipate the coverage of its non performing loans portfolios. These have been provisioned to up to 80%, instead of the regulatory 60.5%, when NPLs are more than twelve months in arrears, and to up 100% after fifteen months.

ITEM	2009	2008	Var. % 09/08
Outstanding lending portfolio	1,795.9	2,248.7	(20.1)
Operating revenues	58.8	53.6	9.8
Operating expenses	30.9	33.5	(7.8)
Provisions	181.8	43.0	321.9
Result after taxes	(107.4)	(16.1)	565.4

MILLION EUROS

MADRID LEASING

The slump in investment by small and medium-sized enterprises hit the production of leasing operations, where the volume of financing totalled €273 million, compared to €843 million the previous year; the factoring/confirming activities was not affected to the same extent, with the volume of production amounting to €3,003 million, compared to €3,169 million the previous year.

The non performing loans ratio reached 4.45%, compared to 3.07% in 2008, and the company recorded a net loss of €1.15 million.

ITEM	2009	2008	Var. % 09/08
Outstanding lending portfolio	2,894.9	3,181.4	(9.0)
Operating revenues	47.6	38.7	23.0
Operating expenses	11.9	11.1	8.1
Provisions	35.9	7.8	360.2
Result after taxes	(1.1)	11.5	—

MILLION EUROS

BANCOFAR

Bancofar reported the best results of its history, thanks to the drastic decline in interest rates and its asset and liability maturity structure, which boosted net interest income. The fact that it specialises in providing financial services to chemists allowed it to keep NPLs at a very satisfactory level, with a ratio of just 0.30%, undeniably one of the lowest in the financial sector. As a result, it reported a net result of €17.8 million, up 140% on the previous year.

ITEM	2009	2008	Var. % 09/08
LOANS	1,610.0	1,394.0	15.5
Mortgage Loans	858.1	770.3	11.4
Operating revenues	43.7	25.9	68.5
Operating expenses	13.1	11.2	16.7
Provisions	4.6	4.0	16.2
Result after taxes	17.8	7.4	140.5

MILLION EUROS



CONCEPTO	2009	2008	Var. % 09/08
DEBT	590.6	503.7	17.2
On balance sheet	503.2	415.6	21.1
Off-balance sheet	87.4	88.1	(0.8)

MILLION EUROS

FINANMADRID MEXICO

This subsidiary's volume of business has also been hit by the crisis of the Mexican economy; the liquidity problems that arose at the end of last year have persisted, forcing the Company to face unusually high financing cost differentials. Despite such a harsh context the Company has managed to keep non performing loan levels under control, and has made major cost-cutting efforts, reporting a net loss of MXN 34.6 million.

CONCEPTO	2009	2008	Var. % 09/08
Outstanding lending portfolio	769.0	872.0	(11.81)
Operating revenues	11.4	37.8	(69.84)
Operating expenses	28.5	32.4	(12.30)
Provisions	17.5	15.0	16.66
Result after taxes	(34.6)	(9.5)	264.21

MILLION MXN



Prospects

The general consensus appears to be that the Spanish economy has bottomed out, but also that the signs of recovery are very weak; therefore it seems reasonable to expect an increase in the Bank's subsidiaries' production figures, albeit without reaching pre-crisis levels

During 2010, most efforts will be geared towards lowering the NPL figure so as to reduce the losses recorded in 2009, raising the credit quality requirements of new transactions, and improving efficiency through permanent cost control.

9 Proposed resolutions





▶ Proposed resolutions

— Approval of the individual and consolidated Annual Accounts for financial year 2009.

— Approval of the Board of Directors' management during financial year 2009.

— Re-election for another four-year period of the following Directors: Mr. Filomeno Mira Candell, Mr. Rafael Fontoira Suris, Mr. Sebastián Homet Duprá, Mr. Antonio Huertas Mejías, Mr. Andrés Jiménez Herradón, Ms. Francisca Martín Tabernero, Mr. Matías Salvá Bennasar and Mr. Francisco Vallejo Vallejo, without prejudice to the fulfilment of the statutory requirements and the corporate governance rules.

— Re-election for another four-year period of the following Directors: Mr. Rafael Beca Borrego and Mr. Rafael Márquez Osorio with effect from 29th December 2010, date when the current mandates cease.

This proposed re-election has received the backing of the Appointment and Remuneration Committee.

— Approval of the distribution of earnings proposed by the Board of Directors, and therefore to distribute a total dividend of €0.15 gross per share to shares numbers 1 to 2,863,410,355 each inclusive, and of €0.08 gross per share to shares numbers 2,863,410,356 to 2,922,709,779 each inclusive. Part of this dividend, in the sum of €0.07 gross per share, was paid out to shares numbers 1 to 2,863,410,355 following a resolution passed by the Board of Directors on 26th October 2009, and the rest, up to the agreed total of €0.08 gross per share, shall be paid to all of the shares, that is, numbers 1 to 2,922,709,779 each inclusive, on a date to be determined by the Board of Directors, during the period 20th April 2010 and 20th June 2010.

— To authorize the Board of Directors so that it may, pursuant to section 153 of the Revised Text of the Companies Act, during the five years following the date of this resolution, increase the share capital once or several times by up to a maximum of €146,135,488.95, equivalent to 50% of the share capital. The Board of Directors shall freely determine the form and conditions of any capital increases pursuant to this authorization, and may resolve to: issue the shares with or without voting rights, and even with a share premium; exclude, either in whole or in part the pre-emptive right of shareholders and, where necessary, of holders of the Company's convertible bonds, pursuant to section 159.2 of the Revised Text of the Spanish Companies Act and similar provisions; and amend, where necessary, article 5 of the Corporate Bylaws to adapt it to the amount of the resulting share capital. This authority involves the withdrawal of the authority granted on 7th March 2009.

The Board of Directors is likewise authorized to delegate the powers granted by virtue of this resolution to the Executive Committee, pursuant to section 141, number 1, paragraph two of the Revised Text of the Spanish Companies Act.

— To request that the shares that the company issues as a result of the share capital increase carried out by the Board of Directors under the authorization referred to in the preceding paragraph be listed for trading on the Stock Exchange, pursuant to Article 27 b) of the Stock Exchange Regulations, as worded in Royal Decree 1,536/81, and in the same terms and conditions as provided for under the said Article. It is explicitly agreed that, in the event of a subsequent application to exclude the shares from being listed, such decision will be made with the same formalities, and in this case the interests of any objecting shareholders or shareholders who did not vote for or opposed the resolution, will be guaranteed. The passing of a decision to officially allow listing will amount to a declaration to abide by any rules that may be in force or that may be laid down in the future relating to Securities and Stock Markets, and especially those referring to trading, listing and delisting.

— To authorize the Board of Directors so that, pursuant to the provisions of section 75 and related sections of the Revised Text of the Spanish Companies Act, the Company may proceed, directly or through affiliates, to acquire treasury stock, subject to the following limits and requirements:

- Methods: acquisition via contract of purchase, or via any other inter vivos act for a consideration, of shares that are free of any liens or encumbrances.
- Maximum number of shares that may be acquired: shares whose nominal value, added to those already owned by the Company and its affiliates, does not exceed 10% of the share capital of MAPFRE, S.A.
- Minimum and maximum acquisition price: 90% and 110%, respectively, of the share's market price on the date of acquisition.
- Term of the authorization: five years as from the date of the resolution herein.

This authority involves the withdrawal of the authority granted on 7th March 2009

The Board of Directors is likewise authorized to delegate the powers granted by virtue of this resolution to the Executive Committee, pursuant to section 141, number 1, second paragraph of the Revised Text of the Spanish Companies Act.

— To endorse the report on the Directors' remuneration policy that is submitted to the General Meeting for consultation purposes.

Said report on the Directors' remuneration policy has been reported on favourably by the Appointment and Remuneration Committee.

— To extend the appointment of the firm Ernst & Young, S.L. as the Company's Auditors, both for the Individual Annual Accounts and, as the case may be, for the Consolidated Accounts, should the Company be under a duty to issue such accounts or decide to do so voluntarily, for a new one-year period, that is, for financial year 2010, although the appointment may be revoked by the Annual General Meeting before the end of said period if a justifiable reason for doing so exists.

— To confer the broadest powers on the Board of Directors so that, with regard to the preceding capital increase resolution, passed by this Annual General Meeting, it may:

a) Complete, in general terms, the preceding resolutions in any matters necessary for them to be valid and enforceable.

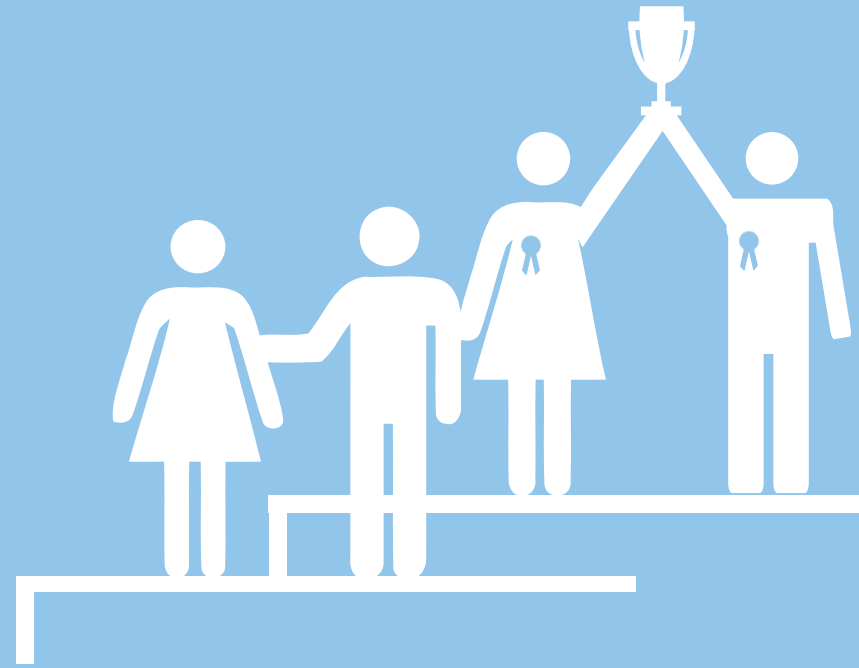
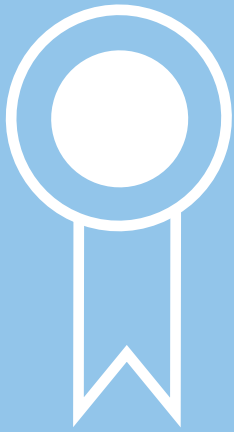
b) Delegate wherever it deems appropriate to the Company's Executive Committee or to members of the Board of Directors.

— Delegate the broadest powers in favour of the Chairman of the Board of Directors, Mr. José Manuel Martínez Martínez, to the First Deputy Chairman, Mr. Alberto Manzano Martos, and to the Secretary of the Board, Mr. José Manuel González Porro, so that they may individually execute the preceding resolutions and record them as a public deed insofar as it is necessary, amending them in accordance with any observations made by the Companies Registrar when assessing them and which ought to be accepted by the empowered parties.

— To authorize the Board of Directors to clarify and interpret the preceding resolutions.

— To thank those involved in the management of the company for their loyal co-operation during this financial year.

10 Acknowledgements and mentions





► Acknowledgements and mentions

Since the date of the previous annual report, 105 MAPFRE employees have concluded or are about to reach the end of their active working life, as well as the following senior managers:

- Alfonso Iribarren Orduna, who joined MAPFRE in 1972, and held the following positions, among others: Regional Director of MAPFRE VIDA in Norcentro, Manager of the La Mancha, Norcentro and North sub-centres and Regional Director General of the North.
- Luis Santamaría Campuzano, who joined MAPFRE in 1990, and among others held the positions of Director General and CEO of MAPFRE CAUCIÓN Y CRÉDITO.
- Luis de Reyna Fau, who joined MAPFRE in 1986, and held the following positions, among others: Head of IT Services of MAPFRE FINANZAS, Head of Information Technology of BANCO MAPFRE and Director General of MAPFRE INFORMÁTICA.

Also the following have ceased as board members of the Regional areas: Andrés Tortosa Muñoz (Andalucía), Rafael Benjumea Cabeza de Vaca (Madrid), Francisco Martín Alcaide (Madrid), Jaime Laffitte Mesa (Madrid) and José Luis de Miguel Fernández (North).

IN MEMORIAM

Since the preparation of the previous Annual Report, 15 employees have passed away, 7 in Spain (Gerardo Diego, Adrián González, Félix García, Luis Mariano Revilla, Lourdes Noguera, José Vicente Mestre and Carmen Bravo) and eight overseas (Luciano Moreira de Brito, Romy Magyar de Souza, William Xavier da Costa, Rut Martínez, Pamela Cereño, Skeena Daniels, Thomas Bruton and Paula Ali).

MAPFRE would like to take this opportunity to express its sincerest condolences to the relatives of the deceased.

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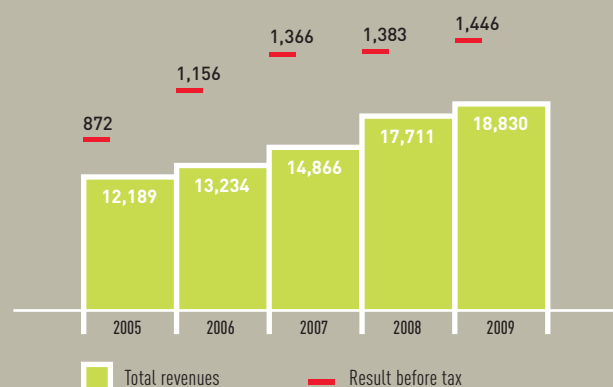
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MAPFRE contributes to the preservation of the environment. This report has been printed using environmentally friendly processes and on ecological and chlorine-free paper.

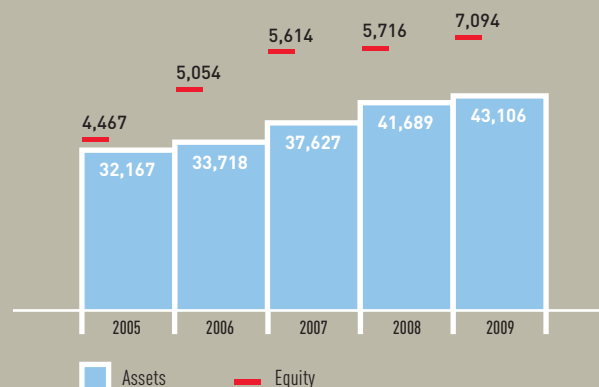


MAPFRE GROUP^(*): Key data

► Revenues and results. Million euros



► Assets and equity. Million euros



INCOME STATEMENT

	2005	2006	2007	2008	2009
Total revenues	12,189	13,234	14,866	17,711	18,830
Written and accepted premiums	10,110	10,933	12,311	14,305	15,607
Non-life	7,801	8,453	9,293	10,891	11,900
Life	2,309	2,480	3,018	3,414	3,706
Result of the Non-life business	684	920	1,104	1,199	1,149
Result of the Life business	128	171	204	265	324
Result of Other business activities	60	65	57	(80)	(27)
Result before tax	872	1,156	1,366	1,383	1,446
Net result	458	610	731	901	927
Third party funds managed in Life assurance	19,585	20,536	24,149	23,293	24,131

MANAGEMENT RATIOS

	2005	2006	2007	2008	2009
Non-life					
Loss ratio, net of reinsurance	73.5%	69.0%	68.0%	68.8%	70.8%
Expense ratio, net of reinsurance	22.1%	24.9%	24.6%	25.1%	24.9%
Combined ratio, net of reinsurance	95.6%	93.9%	92.6%	93.9%	95.7%
Life					
Net operating expenses / Reserves (MAPFRE VIDA)	0.91%	0.89%	0.88%	0.92%	1.16%
Return on equity	12.4%	16.1%	17.5%	19.5%	16.7%

BALANCE SHEET

	2005	2006	2007	2008	2009
REAL ESTATE, INVESTMENTES AND CASH	25,409	26,617	29,137	31,148	31,705
Real estate (including property for own use)	1,365	1,588	1,760	1,849	1,914
Equities and mutual funds	1,713	2,333	2,447	1,468	1,083
Fixed income	19,835	20,169	21,764	24,206	25,772
Other investmentes (including unit linked)	1,071	1,105	1,526	2,210	2,075
Cash	1,424	1,422	1,639	1,415	861
TECHNICAL RESERVES	23,317	24,027	26,781	28,857	29,767
Unearned premium reserve	3,541	3,854	4,308	4,882	5,626
Life assurance reserves	14,741	14,826	16,222	16,195	16,455
Claims reserves	4,425	4,733	5,476	6,409	6,383
Other reserves (including unit linked)	610	614	776	1,371	1,303
EQUITY	4,467	5,054	5,614	5,716	7,094
Shareholders' capital and reserves	3,535	4,026	4,331	4,902	6,166
Minority interests	932	1,028	1,283	814	928
TOTAL ASSETS	32,167	33,718	37,627	41,689	43,106

FIGURES IN MILLION EUROS

(*) MAPFRE S.A. proforma in 2005 and 2006

MAPFRE group: key data

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		
	2008	2009
BALANCE AS AT 1 JANUARY	5,614	5,716
Results and expenses recognised directly in equity		
From investments available for sale	(648)	462
From translation differences	(116)	16
From application of shadow accounting to Life reserves	153	(89)
TOTAL	(611)	389
Distribution of result for the year	996	1,036
Distribution of result of previous year	(203)	(237)
Other changes in equity	(80)	190
BALANCE AS AT 31 DECEMBER	5,716	7,094

FIGURES IN MILLION EUROS

GEOGRAPHICAL BREAKDOWN AND PRESENCE					
	2005	2006	2007	2008	2009
Number of countries in which the Group is present	38	39	43	45	43
Total number of employees	24,967	28,006	30,615	34,603	35,225
Spain	14,412	15,725	16,671	16,838	17,153
Other countries	10,555	12,281	13,944	17,765	18,072
Number of branches	4,273	4,712	5,458	5,789	5,806
Spain	2,861	2,910	3,090	3,243	3,278
Americas - direct insurance	1,284	1,665	1,890	2,002	1,980
Other countries	128	137	478	544	548
Geographical breakdown of premiums					
Spain	69%	65%	64%	55%	49%
Americas - direct insurance	20%	22%	24%	24%	26%
Other countries	11%	13%	12%	21%	25%

MARKET SHARES					
	2005	2006	2007	2008	2009
Share of total premiums in Spain					
Motor	21.0%	20.4%	20.5%	20.6%	20.1%
Health	7.9%	7.8%	7.8%	7.9%	8.1%
Other Non-life	18.3%	18.1%	18.2%	18.2%	17.2%
Life	9.2%	8.3%	10.3%	9.7%	9.0%
Total	14.2%	13.5%	14.4%	13.9%	13.0%
Share of total Life assurance technical reserves in Spain	10.4%	10.3%	11.4%	11.4%	10.7%
Share of total Non-life premiums in Latin America	6.1%	6.2%	6.1%	6.9%	n.d.

RATINGS			
	AGENCIA	2008	2009
MAPFRE S.A. - Debt issuer rating	STANDARD & POOR 'S	A+	A+
Financial strength rating			
MAPFRE RE	STANDARD & POOR 'S	AA	AA
MAPFRE RE	AM BEST	A+	A+
MAPFRE EMPRESAS	STANDARD & POOR 'S	AA	AA
MAPFRE EMPRESAS	MOODY 'S	Aa3	Aa3
MAPFRE ASISTENCIA	MOODY 'S	A 1	A 1

Share information

SHAREHOLDER STRUCTURE	2007		2008		2009	
	%	Number	%	Number	%	Number
CARTERA MAPFRE	74.6	1	63.9	1	64.2	1
Other MAPFRE entities	0.01	3	0.03	3	0.03	2
Investors holding 0.1% or more						
Spanish	3.5	10	16.0	5	16.0	6
Foreign	7.2	17	10.3	21	10.3	23
Investors holding less than 0.1%						
Spanish	12.3	557,478	7.1	481,582	7.1	417,539
Foreign	2.4	7,533	2.7	6,530	2.4	5,570
TOTAL	100	565,042	100	488,142	100	423,141

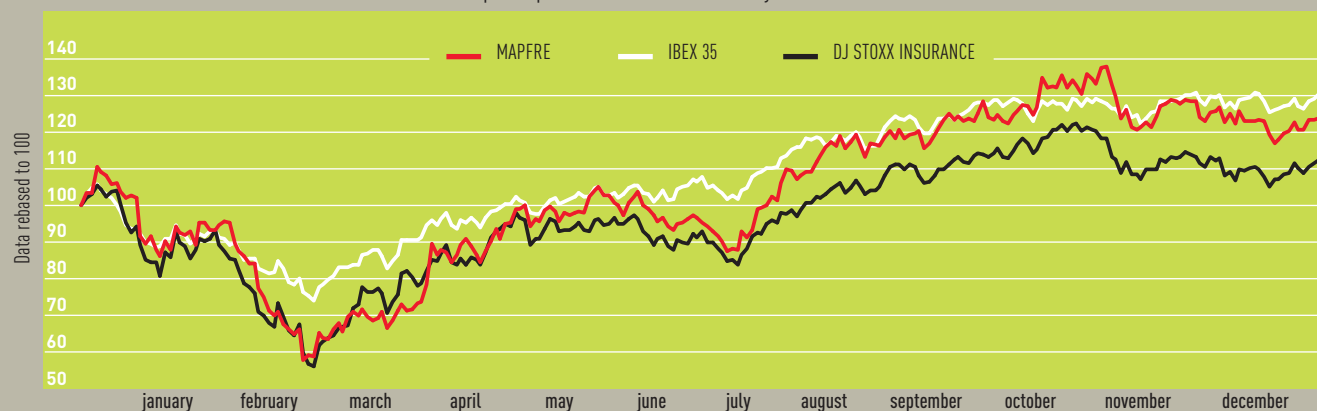
STOCK MARKET INFORMATION	2005	2006	2007	2008	2009
Market Capitalisation as at 31 December (million Euros)	3,332.7	4,085.2	6,848.7	6,587.6	8,554.8
Number of shares in issue*	238,900,706	1,194,503,530	2,275,324,163	2,744,832,287	2,922,709,779
PE Ratio	13.3	12.4	9.4	7.3	9.2
Adjusted earnings per share (Euros)*	0.21	0.28	0.32	0.33	0.33
Price / Book value	1.53	1.75	1.58	1.34	1.39
Dividend per share (Euros)*	0.06	0.07	0.11	0.14	0.15
Dividend yield (%)	2.3	2.2	3.1	4.7	6.3
Average daily number of traded shares*	4,392,240	5,078,395	7,769,398	9,234,024	6,933,551
Average traded daily value (million Euros)	11.28	15.64	27.55	27.48	16.66

(*) The increase in the number of shares is due to the capital increases carried out in 2007, 2008 and 2009, and the 5-for-1 share split carried out in October 2006.

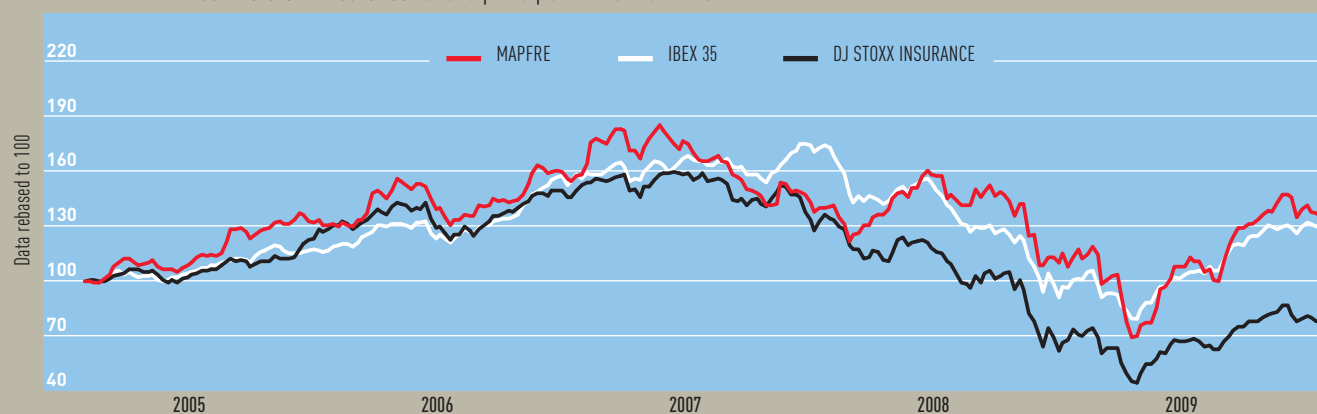
Earnings and dividends per share were calculated using an adjustment factor and the weighted number of shares, in compliance with IAS 33.

Figures for 2007, 2008 and 2009 correspond to MAPFRE S.A. under its new structure, where all the Group's activities are integrated in the quoted company.

► MAPFRE - IBEX 35 - DJ Stoxx Insurance. Share price performance 1st January - 31st December 2009



► MAPFRE - IBEX 35 - DJ Stoxx Insurance. Share price performance 2005 - 2009



MAPFRE group key data. Historical evolution

Year	Revenues	Managed assets	Result before tax	Employees
1983	142	268	7	1,204
1986	434	706	20	2,323
1989	1,214	1,989	49	3,869
1992	2,419	3,769	37	5,528
1995	3,249	6,879	203	11,292
1998	4,546	9,669	178	15,219
2001	8,933	19,276	316	16,756
2004	10,756	31,482	847	19,920
2005	12,189	36,552	872	24,967
2006	13,234	38,988	1,156	28,091
2007	14,866	44,820	1,366	30,615
2008	17,711	47,759	1,383	34,603
2009	18,830	49,573	1,446	35,225

FIGURES IN MILLION EUROS, EXCEPT EMPLOYEES

Evolution direct insurance in Spain⁽¹⁾

Year	GROSS WRITTEN PREMIUMS		CLAIMS ⁽²⁾		Market share (%)	Employees
	Amount	Variation (%)	Number	Value		
1933	11	-	-	1	0.51	n.d.
1934	22	97	11,627	13	0.97	n.d.
1935	30	35	14,309	16	1.31	n.d.
1940	34	11	21,272	22	0.92	n.d.
1945	82	142	23,824	50	1.1	n.d.
1950	125	54	35,681	84	0.81	n.d.
1955	199	59	29,644	149	0.76	106
1960	477	139	25,193	225	0.83	125
1965	1,958	311	37,204	795	1.45	309
1970	4,405	125	59,938	2,608	1.78	561
1975	17,772	303	106,357	7,386	2.95	894
1980	67,301	279	175,610	32,040	4.14	987
1985	188,940	181	313,627	92,297	5.92	1,591
1990	762,017	303	773,725	378,866	7.44	3,308
1995	1,717,025	125	1,478,690	892,485	9.75	5,031
1996	1,826,854	6	1,765,939	927,608	9.57	5,335
1997	1,887,232	3	2,082,761	978,880	9.67	5,436
1998	2,039,979	8	2,326,077	1,039,907	9.69	5,727
1999	2,321,722	14	2,704,864	1,209,206	9.77	5,948
2000	3,816,084	64	3,846,180	2,032,365	10.39	6,376
2001	5,390,719	41	5,025,035	3,274,425	13.00	7,039
2002	5,614,656	4	5,663,558	3,317,072	13.57	7,677
2003	5,819,615	4	6,411,566	4,054,456	14.02	8,230
2004	6,385,386	10	7,144,385	4,663,376	14.12	8,649
2005	6,910,222	8	7,464,928	4,964,230	14.19	8,801
2006	7,083,299	3	18,799,533	4,994,243	13.45	9,138
2007	7,888,708	10	20,529,210	5,627,313	14.38	9,609
2008	8,181,881	4	20,011,134	6,625,322	13.86	10,035
2009	7,776,903	(5)	22,285,007	6,380,507	13.00	-

THOUSANDS EUROS

[1] Figures for gross written premiums and claims include workers' compensation insurance up until 1966, year in which the outline legislation for the Social Security System prohibits this line of insurance as a mercantile activity.

[2] Includes claims arising from life protection and benefits for life savings products.

Operating units & businesses: premiums, revenues and results

PREMIUMS	Million euros			% Variation	
	2007	2008	2009	08/07	09/08
MAPFRE FAMILIAR ⁽¹⁾	4,105	4,216	4,072	2.7%	(3.4%)
LIFE ASSURANCE OP. UNIT	2,252	2,500	2,567	11.0%	2.7%
MAPFRE SEGUROS DE EMPRESAS ⁽¹⁾	817	836	666	2.3%	(20.3%)
MAPFRE GLOBAL RISKS	759	777	838	2.4%	7.8%
COMPANIES OPERATING MAINLY IN SPAIN	7,933	8,329	8,144	5.0%	(2.2%)
INTERNATIONAL DIRECT INSURANCE DIVISION	3,167	4,727	5,946	49.3%	25.8%
MAPFRE AMÉRICA	2,921	3,608	4,305	23.5%	19.3%
INTERNATIONAL OP. UNIT	247	1,119	1,641	353.9%	46.6%
REINSURANCE	1,601	1,779	2,054	11.1%	15.5%
ASSISTANCE	315	302	357	(4.2%)	18.4%
COMPANIES OPERATING MAINLY ABROAD	5,083	6,807	8,357	33.9%	22.8%
TOTAL GROUP	12,311	14,305	15,607	16.2%	9.1%

(1) In 2007 MAPFRE SEGUROS DE EMPRESAS wholly includes the business of MAPFRE AGROPECUARIA

TOTAL REVENUES	Million euros			% Variation	
	2007	2008	2009	08/07	09/08
MAPFRE FAMILIAR ⁽¹⁾	4,679	4,924	4,758	5.2%	(3.4%)
LIFE ASSURANCE OP. UNIT	3,381	3,966	3,788	17.3%	(4.5%)
MAPFRE SEGUROS DE EMPRESAS ⁽¹⁾	907	939	782	3.5%	(16.7%)
MAPFRE GLOBAL RISKS	816	844	899	3.5%	6.4%
OTHER COMPANIES	228	180	192	(20.9%)	6.7%
COMPANIES OPERATING MAINLY IN SPAIN	10,011	10,853	10,418	8.4%	(4.0%)
INTERNATIONAL DIRECT INSURANCE DIVISION	3,504	5,334	6,603	52.2%	23.8%
MAPFRE AMÉRICA	3,205	3,999	4,738	24.7%	18.5%
INTERNATIONAL OP. UNIT	299	1,335	1,865	347.1%	39.7%
REINSURANCE	1,780	2,098	2,326	17.9%	10.8%
ASSISTANCE	439	450	495	2.6%	10.0%
COMPANIES OPERATING MAINLY ABROAD	5,723	7,883	9,424	37.7%	19.6%
TOTAL GROUP	14,866	17,711	18,830	19.1%	6.3%

(1) In 2007 MAPFRE SEGUROS DE EMPRESAS wholly includes the business of MAPFRE AGROPECUARIA

RESULT AFTER TAXES AND MINORITIES	Million euros			% Variation	
	2007	2008	2009	08/07	09/08
MAPFRE FAMILIAR ⁽¹⁾	482.4	503.9	430.8	4.5%	(14.5%)
LIFE ASSURANCE OP. UNIT	147.2	148.8	125.2	1.1%	(15.9%)
MAPFRE SEGUROS DE EMPRESAS ⁽¹⁾	91.6	102.9	59.3	12.3%	(42.3%)
MAPFRE GLOBAL RISKS	10.4	11.6	17.3	11.7%	49.2%
OTHER COMPANIES	16.1	(32.0)	(64.0)	-	-
COMPANIES OPERATING MAINLY IN SPAIN	747.7	735.2	568.6	(1.7%)	(22.7%)
INTERNATIONAL DIRECT INSURANCE DIVISION	116.9	168.7	229.4	44.3%	36.0%
MAPFRE AMÉRICA	99.6	113.5	113.4	13.9%	(0.1%)
INTERNATIONAL OP. UNIT	17.3	55.2	116.0	219.3%	110.1%
REINSURANCE	87.8	104.2	112.5	18.7%	8.0%
ASSISTANCE	7.6	10.8	16.3	42.5%	50.9%
COMPANIES OPERATING MAINLY ABROAD	212.2	283.7	358.2	33.7%	26.3%
MAPFRE S.A.	731.1	900.7	926.8	23.2%	2.9%

(1) In 2007 MAPFRE SEGUROS DE EMPRESAS wholly includes the business of MAPFRE AGROPECUARIA

Operating units & businesses: other information

EQUITY	Million euros			% Variation	
	2007	2008	2009	08/07	09/08
MAPFRE FAMILIAR ⁽¹⁾	1,388.8	1,326.9	1,375.9	(4.5%)	3.7%
LIFE ASSURANCE OP. UNIT	801.9	956.0	1,148.5	19.2%	20.1%
UNIDAD DE EMPRESAS ⁽¹⁾⁽²⁾	508.8	478.9	530.8	(5.9%)	10.8%
INMUEBLES	155.3	111.7	96.7	(28.1%)	(13.4%)
INTERNATIONAL DIRECT INSURANCE DIVISION	1,204.2	3,008.4	3,563.8	149.8%	18.5%
MAPFRE AMÉRICA	1,204.2	1,122.1	1,465.3	(6.8%)	30.6%
INTERNATIONAL OP. UNIT	-	1,886.3	2,099.7	-	7.8%
REINSURANCE	725.2	742.8	839.7	2.4%	13.0%
ASSISTANCE	114.7	123.8	138.3	7.9%	11.7%
TOTAL GROUP	5,614.4	5,716.4	7,093.8	1.8%	24.1%

(1) In 2007 MAPFRE SEGUROS DE EMPRESAS wholly includes the business of MAPFRE AGROPECUARIA

(2) The COMMERCIAL INSURANCE OP. UNIT includes MAPFRE SEGUROS DE EMPRESAS and MAPFRE GLOBAL RISKS

ROE	2007	2008	2009
MAPFRE FAMILIAR ⁽¹⁾	35.5%	37.2%	32.4%
LIFE ASSURANCE OP. UNIT	20.4%	16.9%	14.6%
UNIDAD DE EMPRESAS ⁽¹⁾⁽²⁾	20.8%	23.3%	15.3%
INTERNATIONAL DIRECT INSURANCE DIVISION			
MAPFRE AMÉRICA	9.8%	10.2%	9.2%
INTERNATIONAL OP. UNIT	-	4.9%	5.9%
REASEGURO	12.8%	14.2%	14.2%
ASISTENCIA	7.3%	9.3%	12.8%
MAPFRE S.A.	17.5%	19.5%	16.7%

(1) In 2007 MAPFRE SEGUROS DE EMPRESAS wholly includes the business of MAPFRE AGROPECUARIA

(2) The COMMERCIAL INSURANCE OP. UNIT includes MAPFRE SEGUROS DE EMPRESAS and MAPFRE GLOBAL RISKS

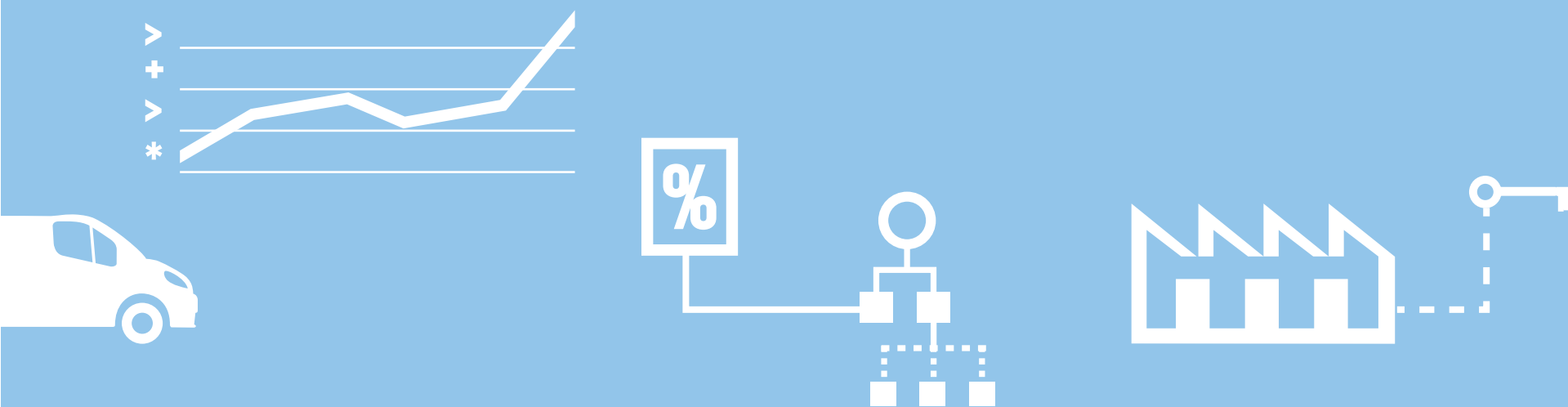
MANAGEMENT RATIOS	Combined Ratio net of Reinsurance		
	2007	2008	2009
Non Life			
MAPFRE FAMILIAR ⁽¹⁾	89.5%	88.8%	90.7%
MAPFRE SEGUROS DE EMPRESAS ⁽¹⁾	-	82.8%	93.7%
MAPFRE GLOBAL RISKS	-	107.3%	98.1%
AMÉRICA	102.8%	103.7%	103.9%
INTERNATIONAL OP. UNIT	103.5%	98.6%	98.9%
REINSURANCE	91.6%	95.5%	93.5%
ASSISTANCE	92.0%	93.4%	91.2%
MAPFRE S.A.	92.6%	93.9%	95.7%
Life			
LIFE ASSURANCE OP. UNIT ⁽²⁾	0.88%	0.92%	1.16%

(1) In 2007 MAPFRE SEGUROS DE EMPRESAS wholly includes the business of MAPFRE AGROPECUARIA

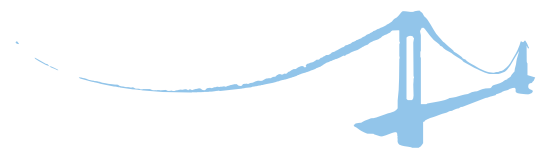
(2) Net operating expenses / average third party funds under management

AVERAGE NO. EMPLOYEES				% Variación	
	2007	2008	2009	08/07	09/08
MAPFRE FAMILIAR ⁽¹⁾	7,901	8,293	8,377	5.0%	1.0%
LIFE ASSURANCE OP. UNIT	751	789	766	5.1%	(2.9%)
MAPFRE SEGUROS DE EMPRESAS ⁽¹⁾	-	1,070	928	-	(13.3%)
MAPFRE GLOBAL RISKS	-	593	631	-	6.4%
INTERNATIONAL DIRECT INSURANCE DIVISION	11,082	13,527	13,796	22.1%	2.0%
MAPFRE AMÉRICA	10,184	10,206	10,479	0.2%	2.7%
INTERNATIONAL OP. UNIT	898	3,321	3,317	269.8%	(0.1%)
REASEGURO	258	269	282	4.3%	4.8%
ASISTENCIA	3,239	3,520	3,780	8.7%	7.4%
TOTAL GRUPO	29,740	32,927	34,326	10.7	4.2%

(1) In 2007 MAPFRE SEGUROS DE EMPRESAS wholly includes the business of MAPFRE AGROPECUARIA



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